New Suicide

As Scandals

Take Their

Toll in Italy

By William Drozdiak

ROME - The social revolution

spawned by Italy's vast corruption scandal claimed another casualty Friday when one

of the country's most prominent industri-alists shot and killed himself following

reports that he had set up a shish fund to

The news that Raul Gardini, the former head of the Ferruzzi Montedison agro-

industrial giant, had become the second leading business personality to commit suicide this week stunned a nation already mired in debate about the escalating bu-

show no sign of abating. (Page 2).

On Tuesday, Gabriele Cagliari, the former chairman of the state energy conglomerate ENI, was found dead in his cell in

Milan's San Vittore prison after suffocating himself with a plastic bag, which he had tied around his head with a shoclace.

Mr. Gardini shot himself with a pistol at his Milan apartment, apparently just two hours before Mr. Caghan's funeral took

Mr. Caglian's former immates at the San Vittore prison, where he had been incar-cerated for more than four months.

banged on their bars as a show of respect and chanted stogans: "Gabriele, you're one of ours," and "For us, you live on." The suicides of two of Italy's highest-

profile executives focused renewed atten-

tion on the human anguish wrought by the ongoing bribery investigations, which have now implicated more than 2,600 poli-

ticians, business people and senior govern-

At least 10 people have killed themselves, 2 have suffered fatal heart attacks

and hundreds of political and business careers he in ruins from the 18-month

inquiry into the pandemic practice of trading bribes for government contracts.

A growing number of Italians, including

the magistrates themselves, are troubled by the prospect that the investigations may drag on indefinitely. Courts may become paralyzed by the growing caseload, voters will be tempted by political ex-

tremes such as the separatist Northern League and the economy will face an evergrowing crisis of confidence.

[Friday afternoon, inaginates figures in the such that the control of the format Manual Same, and three other figures closely associated with the Ferruzzi group. Remeat reported, quoting legal sources. All four are under investigation for alleged false accounting

investigation for alleged false accounting within the Ferruzzi group.]
Mr. Gardini had been informed in Feb-

ruary by Milan prosecutors that he was

facing investigation for the sale of his

But a more immediate cause of despera-

tion for him may have been the arrest of

Giuseppe Garofano, who was extradited

from Switzerland last week and placed in preventive detention.

Italian news agencies reported Tuesday night that Mr. Garofano, who as a former

chairman of Montedison was one of Mr.

Gardini's subordinates, told prosecutors

that Mr. Gardini had asked him to arrange

a special fund worth about \$60 million off.

the company's books so that secret pay-ments could be made to Italian politicians.

As a result of Mr. Garofano's testimo-

ny. Mr. Gardini faced imminent arrest and

probably would have been incarcerated in

the notorious 19th century San Vittore, where dozens of Italy's political and busi-

ment officials.

pay off politicians.

ESTABLISHED 1887

Price to Win

Approval of

**Battered Prime Minister** 

Survives Confidence Vote

But Status Is Precarious

By Eugene Robinson

Washington Post Service
LONDON — Prime Minister John Major

survived a vote of confidence Friday, and Par-liament finally approved the Treaty on Europe-

Bus even in victory Mr. Major emerged bloodied and bruised, and his leadership was

By a vote of 339 to 299, the House of Com-mons gave Mr. Major its backing and ended the

long-running, acrimonious debate over the Maastricht accord, the European Community's blueprint for greater unity. Aside from one pending court challenge, the treaty is now Brit-ish law.

lo one vote, Mr. Major had salvaged his career as prime minister and removed the mill-

stone of Maastricht. That triumph, however,

To win the support of rebels within his own Conservative Party, Mr. Major had to threaten

them with what became known as the "nuclear option": He would resign as prime minister, ssolve Parliament and call a general election

With Conservatives lagging far behind in the polls, for the rebels to defy Mr. Major would

more in question than ever before.

came at a painfully high cost.

if they voted against him on Friday.

an Union.

Maastricht

**Major Pays** 

# U.K. Quarrel Further Erodes Dream of Europe

By Tom Buerkle

al Herald Tribuse

BRUSSELS — The Maastricht treaty may survive Britain's extraordinary parliamentary infighting longer than the govern-ment of Prime Minister John Major, but the treaty's vision of ever-closer European political and economic cooperation has less credibility and support than ever.

The British debate was only the latest blow to a European Community tarnished by its inability to respond effectively to the war in the former Yugoslavia or to its own deepening economic crisis

Whether over Massricht itself or such issues as immigration and trade policy, member states increasingly are flouring the EC line to pursue their own agendas. Jacques Delors, the EC Commission president, herated the members for their "anti-Excopean attitude during a free-for-all over EC development funds at a foreign ministers, meeting early this week.

"There is no longer a family spirit," he said. At the same time, the renewed speculation against the. tricht plan for adopting a single currency by the end of the

Market speculators doubt that France can maintain the high interest rates needed to defend the franc as its jobless ranks swell beyond 3 million, while officials admit that given the depth of the recession, most members will be hard-pressed to make the occessary reductions in budget delicits.

"There is no way to have monetary union in the present. economic climate," said one commission official, who spoke on

**NEWS ANALYSIS** 

condition of anonymity. No one is willing to junk the treaty guidelines publicly just yet, however, because they have oo other policies to go by. "If you renounce the Maastricht timetable," he said, "you're putting another nail in the coffin."

For oow, even ardent believers in further European integration see little hope of progress as long as the recession persists and national leaders remain weak.

In the absence of achievement, divisions between EC states

Paris continues to irritate Bonn by threatening to hold a global trade deal hostage to its demands on agriculture, while Germany has denied the Community's authority on trade policy by cutting a separate deal on telecommuni

Meanwhile, Paris has held up plans to remove border controls between most member states because of its concerns over effective immigration and drug controls.

lo this climate it was not exceptional to see British politians put Maastricht at risk even though a clear majority of egislators favor the treaty.

"Once again Europe, or the Community, is being discredited by national political leaders," said Stanley Crossick, director of the Belmont European Policy Center in Brussels. "The tragedy and the paradox," he said, is that "it's just now that we need a Maastricht treaty to strengthen the European Community."

A Brussels diplomat said: "Nobody can exclude that the European integration process might take a step backward. But what really remains is that nobody has a viable alternative to



have been, in the words of one Tory, "like turkeys voting for Christmas." "Parliament must put this stalemate over Europe behind it," Mr. Major said in opening the debate over the confidence motion. "I am not prepared to let it poison the political atmosphere any longer."
But critics and commentators said the fact

that Mr. Major had had to resort to such a drastic ploy indicated how precarious his au-thority was and how unpolished his government's political skills were.
"Sometimes I think when the prime minister

selects a weapon, it's the boomerang which he finds most convenient," the opposition Labor Party leader, John Smith, told the House of Mr. Major chose the ouclear option after

losing a vote Thursday night on a resolution affirming Britain's opt-out of the so-called social chapter, a section of the treaty that contains provisions leading to standardization of work-place rules throughout the European Commu-He had agreed in April that the Maastricht

bill would oot come into effect until Parliament had "come to a resolution" — a deliberately vague promise — on the social chapter, which the opposition Labor Party favors. Twenty-three Conservative rebels joined

with the opposition Thursday night to defeat the government on the resolution and throw the treaty into limbo. Even though the Tory rebels bor in defeating the resolution as a means of blocking the treaty altogether. Mr. Major immediately announced the con-

fidence vote, which he framed in a way to link it to the disputed chapter. In that way, Conservatives who still wanted to try to wreck the treaty would have to commit political suicide in the

Grudgingly, even the most stubborn of the rebels returned to the Conservative fold.

"I'm not making any concessions regarding the principles on which we've fought, but we've got to be realistic," said Bill Cash, one of the rebel ringleaders, who voted with Mr. Major on

Friday.

The last two days have been full of high drama, with the government pulling out all See MAJOR, Page 5



The speaker of the British House of Commons, Betty Boothroyd, reporting the vote Friday expressing confidence in Prime Minister Major and approving the Maastricht treaty.

## As Currency Turmoil Spreads, France Raises Rate

By Carl Gewirtz.

PARIS - The crisis in the European Monetary System broadened Friday to include the Belgian franc. But higher interest rates in Bel-gum and France and a renewed vow by Ger-many and France to defend existing exchange rates succeeded in feuding off speculators.

France's increase — it raised a short-term leading rate to 10 percent from 7.75 percent — helped stabilize the franc. The Deutsche mark, the reference point for most European currencies, closed in London at 3.4178 francs, almost unchanged from 3.4180 francs Thursday. Its maximum level permitted under the European

By Michael Richardson

International Herold Tribune
SINGAPORE — China is courting Asia-

Pacific nations with promises of benevolent ment and profitable economic ties, in advance-of a meeting Sunday that could have a major effect on its relations with the United States,

Qian Qichen, the Chinese foreign minister,

gave an assurance Friday to those Southeast Asian countries worried about the growing mil-

itary and economic power of China that Beijing

would not seek regional dominance or use force to settle disputes.
"China does not seek hegemony now, nor

will it do so in the future, even when it is

economically developed," he told foreign min-

isters from the Association of South East Asian

Mr. Qian added that China's "foreign policy of peace is one that can stand the test of time."

Analysis said that Beijing was seeking to strengthen relations with other Asian countries

parity to discourage the United States from taking punitive action against China that would restrict its access to the U.S. market.

"If China is an accepted member of a region that the U.S. wants to cultivate, it may make

observers and analysts said here Friday.

Monetary System's regimen of managed floating rates is 3.4305 francs.

France's rate increase, which many analysts and economists had said it could not afford in view of its high unemployment and its deep recession, was interpreted by some as a price Paris had to pay to try to get the Bundesbank, Germany's central bank, to cut German interest rates next week.

France may have painted itself into a corner by making the fixed parity between the franc and the mark so important, analysts said Friday, but it now appears to have little choice but to continue with this strategy. (Page 9)

In the foreign-exchange market, meanwhile,

the dollar and the British pound were the main beneficiaries of the turmoil engulfing the European Monetary System. (Page 10)

It is not clear whether Germany will cut interest rates next week. On one hand, a member of the Bundesbank's central council, Reimut Jochimsen, said on German television that an interest-rate cut was "not in the cards" for the time being because public-sector borrowing in Germany was still too high.

On the other hand, Hermann Remsperger chief economist at BHF Bank in Frankfurt. said that while a cut would "not be easy to justify" because German inflation was relative ly high and Germany's money supply was

growing more rapidly than the target set by the Bundesbank, a rate cut next week could not be ruled out.

The French want a deep cut," he said, but added: "At best I would expect only a modest cut, no larger than half a point in the discount This is the rate at which commercial banks

borrow from the central bank. France wants lower German interest rates so that it will oot have to raise its rates in a recession just to maintain the value of its currency. Lower German rates would make mark-

minated investments less attractive and See GRID, Page 11

#### Kiosk

## At Least 59 Die in Chinese Jet Crash

BELJING (Repters) - A Chinese airliner crashed on takeoff from the northwestern city of Yinchuan on Friday, killing at least 59

people, the Xinhua news agency said.

The China Northwest Airlines jettiner, a four-engine British Aerospace 146, was en route to Beijing, local officials said.

General News

For Egypt's Muslim militants, even the Pharaohs and their works are targets. Page 2. A power change approaches in Japan as the opposition parties near coalition. Page 4. Business/Finance

OPEC postponed an emergency meeting as Saudi Arabia and Iran clashed. Page 9. The Hyundai labor dispute ended as workers narrowly accepted a contract. Page 13. Money Report

Insurers, transportation stocks in Europe, tax teaser for U.S. expatriates, direct ethical in-

"There were injuries and there were deaths, but the exact numbers we don't know yet," said a government official in Yinchuan. The airliner, Flight 2119, was carrying 108

passengers and 5 crew. The official said at least 3 foreigners were on board. Down

The Dollar New York	Fri. close	_previous clo 1.704	
New York,	1.7195		
Pound	1.5045	1.513	
Yen	106.90	105.4	
FF	5.8781	5.800	

Page 14-15. Book Review

## Albania Makes the Change From Dark Ages to Chaos

TIRANA, Albania - At the point where Conference of Peza Street enters Skanderbeg Square in central Tirana, the battered remains of the city's only four traffic lights dangle from poles, testimony to the vain attempt by local authorities to impose order on Albanians in the post-Communist world.

The square, a large parade ground inherited from the Communist regime, is alive with pedestrians, bicycles, cars, buses, motorcycles, trucks and borse-drawn carts, all bauling to cross

The only thing preventing an accident a minute, it seems, is the crawling pace of the drivers, most of them novices still

Arben Puto, a member of the Helsinki-Albania Human Rights atheistic souls of Albanians.

Committee. "There were no private cars, so the streets were absolutely empty before."

Skanderbeg Square seems to embody Albania today — a long slumbering Communist backwater in the Balkans awakening finally to the mysteries of the modern world, with everything from city traffic to multiparty democracy.

"It is not simple to govern in this transition period," Mr. Puto said. "We come from a very rigid communist system. There was a sudden openness and a period of extremes is unavoidable. The problem is how to keep it under control."

Albania has burst the seams of the most rigid communist political system in Eastern Europe and become a free-for-all in almost every sphere - including religion, where American evangetical missionaries compete alongside Roman Catholic and Orthodox priests and Islamic clerics for the once officially About the only communist legacy that still haunts Albanians of all political persuasions is the fear of a reversion to dictatorship if their year-old experiment in multiparty democracy

For 40 years, Albania lived under a paranoid dictator, Enver Hoxha, who spent the government's meager resources on building 700,000 steel-reinforced cement bunkers in preparation for an invasion from either the "revisionist" Soviet Union or the "imperialist" United States. The bunkers are now used mostly as toilets.

The Hoxha nightmare ended with his death in 1985, but his successor, Ramiz Alia, kept Albania's 3.3 million people under a milder Communist Party rule until March 1992, when President Sali Berisha's Democratic Party won the first unrigged

See ALBANIA, Page 5

## See ITALY, Page 2 China Said to Court Asians As a Buffer Against U.S.

## **Beijing Spends** Workers' Pay

BEIJING - China's new economic program may or may not succeed in bring-ing down inflation, but it is aheady having one far-reaching effect. It is making many ordinary workers spitting mad.

When millions of Chinese collected

their June salaries, they found most or all of their pay docked to purchase government bonds, which nearly all urban citizens have been forced to buy.

"We asked the boss how we can live for the next month if we don't get paid, and he said we can use our savings," a 40-year-old factory employee complained. "But a lot of people don't have savings. They depend on their salaries to live from month to month, and now all of a sudden they have

The grambling reflects a general apprehension about the government's efforts to cool down the economy by taking money out of circulation.

In the first six months of this year, China's gross domestic product was 13.9 percent higher than a year earlier, and industrial output jumped 25.1 percent.

Prices in 35 large cities had risen 21.6
percent at the end of June from the same

period a year earlier. There have already been a few scattered protests. Some provincial offices and companies are already running out of cash, See CHINA, Page 13

Washington more wary of imposing sanctions in future," one analyst said.

Warren M. Christopher, secretary of state, will talk with Mr. Qian here Sunday during consultations with foreign ministers of Asia-Pacific nations who gather for talks each year after the ASEAN meeting. The ASEAN countries are Indonesia, Malaysia, the Philippines, Singapore, Thailand and Brunei.

Before leaving Washington for Singapore, Mr. Christopher said that he would discuss human rights, trade issues and weapons proliferation with Mr. Qian. The Clinton administration has set progress on these three issues as

See ASIA, Page 5

BOUND FOR DRY SHELTER — A Bangladeshi family leaving their flooded home near Dhaka on Friday on a raft. Officials in Bangladesh, Nepal and northeastern India said the death toll from flooding caused by heavy monsoon rains had passed 1,200.

By David B. Ottaway

in various ways at the same time.

learning to navigate in the treacherous crosscurrents. "We have to learn to obey the rules of a traffic system," said

LUXOR, Egypt - Pity the indignities

suffered by the pharaohs. Their royal tombs, dug deep into the cliffs of the Valley of the Kings, were pillaged 3,000 years ago by ungrateful subjects. Their mummified remains have been exhumed and put on public display.

And now Islamic militants have mounted a campaign to tear down the pharaohs' pyramids and their avenues of sphinxes and slender chelisks, symbols of omnipotence and wealth for 27 centuries.

"The Sphinx and the pyramids are statues," said Sheikh Ali Yehya, a militant cleric, "and so are all the other Pharaonic monuments. The prophet, peace be upon him, destroyed statues, and we are commanded to do the same." Islamic militants, waging a violent campaign to seize power in Egypt. reject all that they see as dishonoring their

They would outlaw Cairo's belly dancers as well as the country's secular education system. Artistic representations of the human form, banned in Islam, would

By Joseph Fitchett

PARIS — The publisher of Jacques Attali's book "Verbatim" said Friday that he had received no sign from President François Mitter-

rand indicating unhappiness with it

or seeking the deletion of passages

Mr. Attali is accused of having lift-

ed from presidential conversations with the Nobel laureate Elie Wie-

fn response, Mr. Wiesel asserted

again in a telephone interview from the United States that the French

leader had agreed with him that

Mr. Attali should make amends by withdrawing the present edition in order to expunge the passages in question and should publicly apol-

ogize.
"I emphatically stand by what I

said about the president's views ex-pressed to me. Mr. Wiesel said.

In keeping with Mr. Mitterrand's policy of remaining publicly aloof

from the controversy surrounding his former aide, the presidential of-

fice declined to comment on Mr.

Wiesel's account.

A lawyer for Mr. Attali, Yves Baudelot, said Friday that neither the author nor his publisher "had

ever received the slightest request

by the president to withdraw any

passage of 'Verbatim,' much less to

withdraw the book itself."

Claude Durand, head of the

book's publishing house, Fayard, said: "Neither this office nor Mr.

Attali has received any indication

from the presidency that would corroborate Mr. Wiesel's state-

FRENCH RIVIERA

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INTERNATIONAL COMMUNITY CHUR-CH Evangelsal, Bible Belleving, services in English 4:15 p.m. Sundays at Erinuber Str. 10 (UZ Therasenstr) (183) 93 45 74.

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golical). Sun. 9:30 a.m. Hotel Onon, Metro 1 : Esplanade de La Délense. Tel.: 47.73.53.54

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Carrofc). Masses Saturday Evening 6:30 p.m., Sunday, 9:45, 11:00, 12:15 and

6:30 p.m. 50, avenue Hoche. Paris 8th Tel:42.27.28.56. Metro: Charles de Gaulle

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of a conversation with Mr. Mitter- else in its pages.

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Custentraal 3, S. Amsterdam Info. 0294015316 or 02503-41399.

nal Herald Tribune

Wiesel Stands By

**Assertions on Attali** 

be smashed and burned, along with books, films and poems that do not glorify the prophet Mohammed and his teach-

And, since all civilizations that rose and fell before the arrival of Islam in the seventh century are considered base and idolatrous, they, too, would be hanished

from human memory. The fundamentalists want to sever all cultural and intellectual ties with any part of the past that is not Islamic," said Judge Said Ashmawi, an intellectual crit-ic of Islamic fundamentalism, who lives under armed guard because of death threats from Muslim militants. They

The attack on the Pharaonic sites has already begun. Islamic militants have placed bombs in Pharaonic temples and one of the three huge pyramids at Giza. In the last 18 months of violence, they have raked tourist huses and Nile cruise boats with automatic weapons fire in their campaign to drive out foreign tourists, who the militants say spread corrup-

Three foreign visitors have died, some two dozen have been wounded, and the

The theological attacks on Pharaonic culture have always been a part, if a somewhat obscure part, of militant ls-lam, even during the Middle Ages.

United States on immigration charges, rails against the ancient Egyptian civilization in his lectures.

New Age tourists who hold healing and spiritual ceremonies in the temples as evidence that the monuments pose a threat to Islam.

worshiping in the Pharaonic monuments, is an anathema to Islam," said Mahmoud Ismail, a lawyer. "How can we allow such

Muslims are not new. In the year 900 Sayim Dahr, an Islamic leader, in one of the innumerable legends surrounding the Sphinx, is said to have hacked away at its nose with a shovel. And in the 14th century a fanatic sheikh supervised the dismantling of a Pharaonic temple.

But the monuments suffered more from poor villagers, who used the stones to build their houses, and later from treasure hunters, than from Islamic clerics, most of whom were content to let the structures sink into the sand,

At the end of the 18th century, Napoieon jaunched the modern effort to conserve and study the monuments, although the ancient Romans and Greeks, including the historian Herodotus, also visited the Pharaonic sites.

Napoleon brought a group of scholars with his occupation troops, who produced the encyclopedic work "Description de l'Empte" which catalogued the ancient civilization.

The campaign against the Pharaonic monuments is not shared by many of the Islamic clerics who pray and worship in the shadow of the temples.

Hefni peered through a window in the Abu Haggag Mosque, which is perched on top of the northeast corner of the Luxor Temple.

Those who venerate the Islamic scholar Abu Haggag who is buried in the mosque, carry a replica of his boat in a yearly processional, just as the ancient Egyptians annually carried the boat of the god Amon.

Below the turbaned cleric, drenched in the glare of the afternoon sun, lay the massive granite columns, carved to resemble papyrus stems, that make up the Court of Ramses II.

The Muslim cleric, who has spent his life inside the Pharaonic temple, said he has come to love the ruins. "In the foundation of this mosque are

the remains of an ancient church and the stones of the pharaohs," the cleric said. "And if you look toward the Nile you can ee what is left of a Roman forum. All these cultures come together here and all inform who we are. Are we so wise today that we have nothing to learn from

bunting and yachting, Mr. Gardini

mounted Italy's Americas Cup

challenge with the Moro di Venezia

His management style was brash

and confrontational. In his battle

cause of his farming background,

Mr. Gardim hardiy irved a spartan

He owned Ca' Dario, a 500-year-

old palazzo on Venice's Grand Ca-

nal, as well as a hoge ranch in

Brazil, and often rented out a

whole floor at the Ritz on his fre-

A native of the Adriatic port of

Ravenna, Mr. Gardini began work-

ing at the Ferruzzi group in the 1950s and married the boss's

daughter. Mr. Gardini took over

the company after the founder's

death in a plane crash, and sprang to prominence in the early 1930s.

when he launched one of Italy's

He wrested control of the chemi-

cals coocern Montedison SpA

away from a syndicate of share-

holders, and proceeded to use it,

and the Ferruzzi family's holding

company, Ferruzzi Finanziaria, as

a vehicle for expansion, particular-

But Mr. Gardini met his indus-

trial Waterloo in the ill-fated Eni-

mont venture, in which Mont-

edison was merged with the

chemical activities of ENL Eni-

mont was supposed to be jointly

controlled by the state and Mont-edison, but Mr. Gardini com-

plained bitterly that political inter-

ference made running the company

layoffs, in particular, were nearly

impossible at the company. State-

owned ENI had always been a big

employer in the economically poor

but vote-rich Mezzogiorno, or

Eventually, Mr. Gardini sold

Montedison's stake in the venture

back to the state for 2.8 trillion lire,

making a handsome profit. It is the

charge that that sale included kick-

backs to political parties that mag-

istrates are currently investigating.

Squad in Rio Kills

leeping in gardens of a museum on

Surviving youths told the police

that several attackers were wearing

uniforms of the military police

said Mário Volpi, president of the

National Movement of Street Boy and Girls, an advocacy group.

8 Homeless Boys

Badly needed plant closures and

profitably impossible.

South.

first-ever takcover baules.

ly into France.

quent visits to Paris.

last year.

### WORLD BRIEFS

## Armenian Troops Take Key Town Near Nagorno-Karabakh Enclave

MOSCOW (Reuters) — Azerbaijan suffered a major military setback Friday as its Defense Ministry said that the strategic town of Agdam had fallen to Armenian forces.

The ministry said about 6,000 Armenian troops with tanks and artillery had taken Agdam, an Azerbaijani stronghold 12 kilometers (7 miles) from the Armenian enclave of Nagorno-Karabakh. Officials said Armenian forces were attacking a second important town, Fizuli, to the south. An Armenian presidential spokesman, Aram Abramyan, denied the report. He was quoted by the news agency Snark as saying that Arme-mans from Nagorno-Karabakh were repelling Azerbaijani attacks but had not entered Agdam.

Armenian forces have won a series of battles in recent weeks in the five year underlared war with Azerbaijan for control of Nagorno-Karabakh, Nagorno-Karabakh authorities, who seek independence from Azerbai. ian, had consistently denied any intention of seizing Agdam.

#### Paris Police Warned About Brutality

PARIS (Reuters) — The city's new police commander has warned officers against gratuitons brutality after a series of cases in which policemen attacked suspects as well as bystanders protesting the beatings. There cannot be an efficient and respected police force," said the official, Philippe Massoni, "if you are not there in serve the public, open to their needs, and if you do not treat victims, but also suspects, with required courtesy." He warned of severe punishments for police officers found guilty of abuse.

Police officers shot three suspected lawbreakers to death shortly after France's center-right government took power in March. Critics said at the time that the police felt they could now get away with abuse more easily than under the previous Socialist government.

#### Pakistan Joined Nuclear Club in '87

ISLAMABAD, Pakistan (Renters) - Pakistan carried out its first) successful nuclear test in 1987, a retired army chief of staff said in an

interview published Friday. "Pakistan crossed the line in 1987." General Mirza Aslam Beg said in the interview in the Awaz International newspaper, published in London. Pakistan has acknowledged that it has a nuclear capability but has asserted that it will not make nuclear weapons and is developing nuclear

technology for peaceful purposes.

The United States cut off aid in 1990 because it suspected that Pakistan was making nuclear arms. But General Beg, army chief from 1988 to 1991, said Pakistan had carried out its first successful test three years earlier. "Pakistan carried out the test in cold laboratory conditions and it was very successful," he said. "No one should have any doubt about

#### Patten Picks Election Commissioners

HONG KONG (Reuters) - Hong Kong named an election commission on Friday despite accusations from China that the body is part of a

sion on Friday despite accusations from China that the body is part of a dirty tricks campaign by Governor Chis Patten.

Mr. Patten appointed a High Court judge, Woo Kwok-hing, to chair the commission, which is charged with ensuring that local and legislative elections are conducted fairly, and with drawing up electoral boundaries.

The other members are Robert Kotewall, a lawyer, and Leung Chi-Keung, a professor of geography and geology at Hong Kong University.

The commission was proposed by Mr. Patten as part of a package to widen democracy in Hong Kong before it reverts to Chinese sovereignty, in 1997. Chinese-controlled newspapers in Hong Kong condemned the creation of the commission when it was approved earlier this year.

#### Islamabad Installs Caretaker Cabinet

ISLAMABAD, Pakistan (Reuters) - Acting President Wasim Sajjad swore in a six-member caretaker cabinet on Friday to run Pakistan until national elections scheduled for Oct. 6, the official press agency Associated Press of Pakistan reported.

Abdus Sattar, a retired senior diplomat and one of those named, was expected to take charge of foreign affairs. The other ministers were identified as Syed Baber Ali, Mohammed Shafique, Ahmed Farooq, Fatch Khan Bandial, Nisar Memon and Abdus Sattar. Their portfolios

are to be announced later, the agency said.

All of the ministers were reported to be retired bureaucrats or army officers, chosen as political neutrals who would not try to influence the with ENf over control of the chemicals industry, he once proclaimed,
"I am the chemicals industry." election results. They will serve with the caretaker prime minister, Mocen Although be never graduated Qureshi, a former World Bank vice president. from college and was nicknamed "Il Contadino" ("The Peasant") be-

## TRAVEL UPDATE

French tourism officials say the recession and the relative strength of the franc have combined to make a gloomy start to the vacation season. "Very few hotels are full yet," said Martine Crohare, a French hotel spokeswoman. "That's a cause for worry." The Paris tourist office says to the paris tourist office says to the paris tourist of the paris tour visitors to the capital were down 14 percent in the first five months of the

Part of the M25 expressway around London, the country's most crowded and most dangerous, will be expanded to 14 lanes, the government announced. The Transportation Department proposes to build three-lane link roads on either side of the double four-lane section between Heathrow Airport and the M3 expressway.

year and will fall by about 10 percent in the summer period. (Reuters)

An electronic protection system for Florence's historic monuments is being designed. Research was accelerated after a bomb exploded beside the Uffizi Gallery May 27, killing five people and damaging numerous masterpieces. The system, involving electromagnetic barriers and radar and microwave sensors around monuments, should be in place before the end of the year, city officials said.

Landowners in the Scottish Highlands have warned that the 1993 grouse shooting season will be poor, with serious economic consequences for rural communities. An official of the Game Conservancy said the season starting Aug. 12 would have a below-average number of birds for the fifth year in a row. Foreigners make up 80 percent of grouse shooting parties and bring in about £23 million (\$35 million) a year. (Reuters) Italy's truckers were to begin a two-week strike Sunday to protest the

government's refusal to compensate for an increase in gasoline prices. The strike is expected to block transport of fuel and food. Drivers have promised minimum services for hospitals and schools. (Reuters)

A undist beach near Montpellier, France, is organizing an "anti-clothing" patrol to persuade rejuctant visitors to remove their swimsuits. Officials at Cap d'Agde said that after numerous complaints about clothed people using the beach, the local council appointed the beach patrol, who will attempt to persuade the hesitant to expose themselves or move to a stretch of sand about 800 meters away. The seven-member patrol will be recognizable by their uniform - white caps.

## Nigeria's General Shuts 6 News Organizations

The Associated Press LAGOS — The military government shut down six independent newspapers and broadcast stations Friday.

The flurry of closings was the biggest of several crackdowns on news organizations since General Ibrahim Babangida annuiled the June 12 elections, which were to have returned the country to civilian Armed police raided the media outlets late Thursday, including

the Concord newspaper and Concord magazine, which are owned by General Babangida's political rival, a millionaire businessman, Moshood K. O. Abiola,

The government did not comment on the closings, but they were consistent with an increasingly tough crackdown on independent journalists and human-rights activists, several of whom have been galled without charge for weeks.

Mr. Abiola was leading in the vote for president when General Babangida, whose armed forces were believed to have favored the other candidate, abruptly suppressed the results of the ballot. General Babangida said a new election would be held on Aug. 14, but Mr. Abiola's Social Democrats have asked a boycont of the vote,

and in any case the general has barred Mr. Abiola from running The military also shut down Lagor's Punch newspaper, the Tri-bune and Sketch newspapers based in nearby Ibadan; the Ogun radio and television stations in the Ogun state capital of Abeokuts,

and the Newsday newspaper in Abuja.

Thadan and Abeokuta are strongholds of Mr. Abiola's Yoruba tribe, which has vied with General Babangida's Hausa for political

For Egypt's Muslim Militants, Even Pharaohs Are Targets

want to erase the legacies left in us by our Pharaonic, Hellenistic and Christian pro-

rand. The president was described by Mr. Wiesel as having supported his idea that Mr. Attali should ex-

cise from "Verbatim" more than 40

pages of material alleged to have been plagiarized from a manuscript being readied for publication by

"Don't you think that the presi-

dent, if he had wanted in stop this

book, could have done so before it sold 120,000 copies?" a Fayard edi-

Scattered through the 950-page

"Verbatim," the passages contain the core thoughts of the two men's

dialogue on spiritual questions, ac-cording to Mr. Wiesel.

To another challenge to the material presented in "Verbatim," Da-

chau conceotration camp survivors have denied a claim, attributed in

the book in Mr. Mitterrand, that

the French leader was a member of

the army unit that liberated the death camp at the end of World

An association of former in-mates has concluded that Mr. Mit-

terrand was not present in the ranks of the first French units to

The protest is only one of a rising

oumber of accusations of distor-tions in "Verbatim," said by its

author to be a day-hy-day, factual

account of what he heard between 1981 and 1986 when he was Mr.

a.m. Rite I, 10:30 a.m. Rite II, 1 p.m. Spansh Euchanst, Via Napoli 58, 00184 Rome, Italy, Tel: 39/6 474 35 69.

ALL SAINTS CHURCH, 9 am. 1st Sun of the

month, Sun.: 11:15 a.m. 563 Chaussée de Lou-vain, Ohein, Belgium. Tel. 32/2 384-3556.

WIESBADEN

THE CHURCH OF ST. AUGUSTINE OF CAN-

BAPTIST CONVENTION

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INTERNATIONAL BAPTIST CHURCH will meet at 11:00 a.m. at the Hilton Hotel for wor-ship (English language). Phone 4101661.

BERLIN

INTERNATIONAL BAPTIST CHURCH, BERUN, Rotherburg str. 13, 1000 Berlin 41 (Slegitz). Bible study 10,45, worship at 12,00 and 19,00 each Sunday, Charles A. Warford, Pastor, Tel.: 030-774-4670.

BONN/KÖLN

THE INTERNATIONAL BAPTIST CHURCH OF BONNKÖLN, Rheinau Shasse 9, Kön. Worship 1-00 p.m. Calvin Hogue, Pastor. Tel: (02236) 47021.

BREMEN

INTERNATIONAL BAPTIST CHUNCH (English language) meets at Evangelish-Freidrichlich Kreuzgemeinde, Hoherkohestrasse Hermann-Bose-Str. (around the comer from the Behnfelt) sunday worship 17:00 Ernest D. Walter, pastor. Tel. 04791-12877.

BUCHAREST

INTERNATIONAL BAPTIST CHURCH, Stade Pope Rusu 22, 300 p.m. Contact Bill Richardson, Tel. 010-91-61.

BUDAPEST

International Beptist Fellowship, II Birmbo u. 56 (main enterior Tapolosanyl u. 7, immediately behnd kort enteriors). 10:30 Bible study. 6:00 p.m. Pastor Ben Hatfield. Tel.: 1158759 & 1156116.

BULGARIA

INTERNATIONAL BAPTIST CHURCH, Sofia, Grand Narodno Sobronio Squara, Wor-ship 11:00. James Duke, Pastor. Tel: 704367.

CELLE/HANNOVER

NTERNATIONAL BAPTIST CHLIPCH, Friedenskiche, Riemannszr. 15. Cele, SS 12:45, Worship 14:00. 30 mm. Drive, 20 min. By train Intern Hannover. Walking distance from Cele train station. Pastor Claude Williamson. Tet: 05084-7515.

DARMSTADT

DARIMSTADTIEBERSTADT BAPTIST MIS-SION. Bible study 8. Worship Sunday 10:30 a.m. Stadinission Die Eberstadt, Busschelstr. 22. Bible study 8:30, worship 10:45. Pastor Jm Wabb. Tel: 06155-6009216.

DÜSSELDORF

INTERNATIONAL BAPTIST CHURCH. English, s.s. 10:00, worship 11:05. Children's drusch and nursery. Meets at the International School, Lauchtenburger Kardweg 2.D-Katsesswerth. Frendly Edinostop, All demonstrations welcome. Dr. W.J. Deley, Pastor. Tel: 0211/400 157.

Reached by bus 11.

Mitterrand's closest adviser.

tor asked rhetorically.

Mr. Mitterrand and Mr. Wiesel,

tourism industry, which brought an estimated \$2.2 billion into the country annually, has nearly been wiped out. The loss of revenue has aggravated the recession and thrown thousands out of work.

The Egyptian cleric, Sheikh Omar Abdel Rahman, now in detention in the

Islamic militants point to the bands of

"The presence of these Westerners,

idolatry in a Muslim country?" Attacks on the monuments by fervent



Giuseppe Garofano, left, with Raul Gardini in 1990. Mr. Garofano reportedly linked his former superior to a fund for political payoffs.

## Shock at the Death of a 'Symbol of Italy'

By Laura Colby mal Herald Tribun

Italy, a country where leading businessmen are better known than pop stars, was shocked Friday by the suicide of the industrialist Raul

At the head of Italy's secondlargest private-sector company, the Ferruzzi group, Mr. Gardini exem-Despite the official policy of not plified Italy's economic resurgence in the 1980s.

commenting on the book, presiden-tial aides have iodicated that Mr. Flamboyant and rich, he chal-Mitterrand has chosen not to challenged first the Italian business estahlishment, with the hostile take-International Herald Tribune on um" for fear that this action could, over of the chemicals company Montedison SpA, then the political under investigation for corrup-establishment, with an ill-fated at-Friday citing Mr. Wiesel's account by implication, endorse everything Montedison SpA, then the political

FRANKFURT

INTERNATIONAL CHRISTIAN FELLOW-SHIP Evangelisch-Freikindsläde Gemeinde, Sodenerstr. 11-18, 6380 Bad Homburg, pho-ne: 06134-23278 or 06198-643350 serving

ne; 06134-232/2 of 06195-643300 serving the Frankhut and Taurus areas, Germany. Sunday worship 09:45, nursery + Sunday-school 10:00, women's circle - Friday (9:30. Housegoups - Sunday + Wednesday 19:30. Pastor M. Lavey, member European Baptist Convention. "Declare His glory amongst the

BETHEL INTERNATIONAL BAPTIST CHURCH, Am Dachsberg 92, Franklist a.M. Sunday worship 11:00 a.m. and 6:00 p.m., Dr. Thomas W. Hill, pasior. Tel: 069-549553.

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INTERNATIONAL BAPTIST CHURCH OF HAMBURG meets at TABEA FEST-SAAL AM ISFELD 19, Hamburg-Ostdorf. Bible Study at 11:30 & Worship at 12:30 each Sunday, Tel: 040820616.

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nursery, warm fellowship. Meets at Bloemcamplaan 54 in Wassenaar.

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MUNICH

INTERNATIONAL BAPTIST CHURCH OF MUNICH, Hobstr. 9 English Language Ser-vices. Bible study 16:00. Worship Service 17:00. Pastor's phone: 6508504.

PARIS and SUBURBS

EMMANUEL BAPTIST CHURCH, 56 Rue des Bons-Raisins, Rued Malmason. An Evergeical church for the English speeking

community located in the western substances. S. 9.45: Worship: 10.45. Chidherie Church and Nurseny. Youth ministres Dr. B.C. Thomas, pasior. Cell 47.51.29.63 or 47.49.15.29 for information.

INTERNATIONAL BAPTIST FELLOWSHIP.

5:30 p.m., 123 av. du Maine. Mo Gallé. Near fre Tour Manpamasse. The evening servos ol Emmanuel Baptist Church. Call 47:51:29:53 or 47:49.15:29.

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International Baptist Fellowship meets at the Czech Baptist Church Vindhradiska il 68, Prague 3. At metro stop Jinhoz Podebrad Sunday a.m. 11:00 Pastor: Bob Ford (02) 311 0893.

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HEIDELBERG: (49) 6222-7 3716 or (49)

PARIS: (33) 1-42-77-9577. GENERAL RECIBIATION: (43) 521-58-1718.

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LONDON: (44) 81-891-0719. MUNICH: (49) 821-47-2486. NETHERLANDS: (073) 408208.

ne. Hana-Oieler Fraund, pastos

RELIGIOUS SERVICES

tempt to privatize the state's chemicals sector. ("clean hands") investigations, Mr. Gardini, 60, shot himself in the

"I believe that life should be lived to the fullest, and not as a that could make your stomach

Speaking Friday on state radio, Luciano Violante, chairman of the Parliament's anti-terrorism com-Parliament's anti-terrorism committee, said of Mr. Gardini, "He owned by his wife's family, had was a symbol of Italy."

But like many other symbols of beginning to look a bit tarnished.

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INTERNATIONAL CHURCH of Copenhagen, 27 Fervergade, Vartov, riser Rådnus, Study 10:15 & Worship 11:30, Tel.: 31624785.

LONDON

MOSCOW

MOSCOW PROTESTANT CHAPLAINCY, UPOK Hall, U.L. Ulda Paime 5, bldg. 2, Wor-ship 9 + 11 a.m. S.S. Tel.: 143-3562.

OSLO

American Lutheran Church, Fritznersgt. 15 Worship & Sunday School 10 a.m. Tel.: (02) 44.35.84.

AMERICAN CHURCH IN PARIS. Worship 11:00 a.m. 65, Quai d'Orsay, Paris 7, Bus 63 el door, Matro Alma-Marceau or Invalides.

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a 21. Tel.: 43-29-70.

head n day after the weekly Il Moodo disclosed that a former sham," Mr. Gardini once wrote. chairman of Montedison, Giu"Even if sometimes you face things seppe Garofano, told prosecutors
that could make your stomach that Mr. Gardini had ordered him to create a slush fund in pay off politicians. Mr. Gardini had always denied paying hribes.

meanwhile also come under criticism. The group has run up 30 trillion lire (\$20 hillion) of debts, and magistrates are sifting through its books looking for financial irregularities while banks are trying to patch together a rescue plan.

In addition, the Ferruzzi family is reportedly trying to get back some of the 505 billion lire they paid for his wife's stake in the company when he was removed from the chairmanship in 1991.

Mr. Gardini's death came just three days after Gabriele Cagliari, the former chairman of the state energy holding company ENI and Mr. Gardini's sparring partner in chemicals battle, committed suicide in Milan's San Vittore prison. Mr. Cagliari left a long suicide note decrying the methods of investigating magistrates who had kept him in prison for four months.

## ITALY:

Another Suicide

Continued from Page 1

ness elite have been forced to share cells with drug dealers and convici-

TRINGTY LUTHERAN CHURCH, Nibelungen Allee 54 (U-Bahn 5), Sunday School 9:30, worship 11 a.m. Tel.: (069) 599478, ed thieves until prosecutors are convinced they have confessed to EV. LUTHERAN CHURCH of Geneva, 20 all wrongdoing.
Mr. Gardini, 60, often told ive Verdane. Sunday worship 9:30. in Ger man 11:00 in English. Tet (022) 310:50:89.

friends that he despised Italy's clan of money-ohsessed politicians. He was proud of his business acumen, which enabled him to AMERICAN CHURCH in London at 79 Tot-tertian Court Road, London WI, SS at 9x45 a.m. & woship at 11a.m. Goodge street tube; Tet (01) 5902791. transform the Ferruzzi trading

company owned by his wife's family into Western Europe's biggest grain exporter. The company came Italy's largest industrial concern after the Fiat automotive group controlled by the Agnelli family.

Mr. Gardini was forced out of the Ferruzzi group in a family fend two years ago. He was known to have grown deeply depressed by the monumental debts accumulated by the Ferruzzi family businesses and by his growing entanglement in the corruption scandal More recently, Mr. Gardini set

up his own concern with food and mineral-water interests in France and Italy, but friends believe that he may never have fully recovered from a nervous breakdown suffered about the time of the ENI takeover and his falling-out with the Ferruzzi family.

RIO DE JANEIRO - Hooded members of a city "extermination group" killed eight homeless boys and wounded two others before dawn Friday. Cruising Rio's banking district in a taxi and in a private car, the men sprayed a group of 45 sleeping

xperioces - No Clas Attentance Rend (310) 471-0306 FAX: (310) 471-6456 Call or write for intermetion of research for Fron Evaluation

**UNIVERSITY DEGREE** boys and girls with pistol fire in front of Candelaria church and JACHELORS - MASTERS - DOCTORATE opened fire again at boys who were Rio's showcase Seaside Avenue.

INTERNATIONAL PROTESTANT CHURCH Pacific Western University English speaking, workship service, Sunday School & Nursery, Sundays 11:30 a.m., Scharzangasse 25, Tel: (01) 2625525. 600 N Sepulveda Brvd., Dept. 23 Los Angeles, CA 90049

## Imprime par Offprint, 73 rue de l'Evangile, 75018 Paris.



storm this time.

ology and joined the state's Rural

Family Outreach Project. She be-

she loves and identifies with.

"Farmers feel guilty about talk-

ing of such things — they always say other people have it worse."

Ms. Dittmer said after noting one

farmer in obvious anguish. "I mean

the poor man could not make eve

# STATESIDE / DEALING WITH THE RIVER

# On Midwest's Burst Banks, Despair Won't Recede With the Water

New York Times Service URSA. Illinois — Scrambling the river had done. He was too intent on reaching his mother's inundated house on the watery hori-200 and wading into the upstairs in search of a computer disk.

"The family tree is in the computer," he said, anxiously pushing off from a riverbank four miles inland from where it used to be, before the waters had systematically brushed aside the levees and sandbags and rolled II feet high over the best of this farming ham-

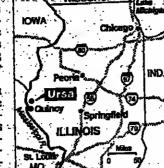
"Mom died a week before the flood, and I got to find that com-puter." Mr. Frakes said, his nervousness about the future reviving as he set out atop the intrusive Mississippi River. "She's buried safe inland," he added, as if in a rare victory over the waters.

and brooding about the water's threat to his family's bit of recordthrough comfield flotsam into a ed history, was no wilder than the borrowed boat, Richard Frakes igniver itself. As the people of the noved the terrible beauty of what river have been gallant in lighting it, some are rattled, too, as they return to deal with it.

The riverscape Mr. Frakes cut across presented a strange jumble. of white-clapboard human earnestness - the farmhouses and silos waiting majestically amid and under the waters - and the Mississippi's own wayward scope and pow-

You farm down here, the river will find you," said Art Heinicki, a gray-haired farmer who had driven down the hill from his dry retirement home to pay his respects to the scene. His own family acreage and crops were well under the mov-

It's so tough down here -Ice Age came through here, bluff to bluff," Mr. Heinicki said, as if the river packed the power of prehistory to justify its path.



"Farmers will rebound - they always have," he added, staring out from his pickup at the end of a country road that seemed to dissolve as it suddenly dipped dark and wet down into the river.

Utility-pole lines continued onward, like a cortege that eventually subsided into the water. The sense of submission in the scene was one that a local politician, state Repre-

Sex Link

In Female

**AIDS Cases** 

By Lawrence K. Altman

New York Times Service

time, more women in the United

States have developed AIDS as a

result of heterosexual intercourse

than intravenous drug use, accord-

ing to statistics on the disease for 1992.

Nearly 60 percent of those wom-

en had been sex partners of men who were intravenous drug users,

and most of the remaining sex part-

The number of men and women

who have become infected with

AIDS through heterosexual inter-course and who have no risk factors

for AIDS is very low, but not zero, said Dr. John Ward, an

AIDS official at the Centers for

Disease Control and Prevention in

Atlanta. He said the agency did not

have any numbers for such trans-

was no evidence that the numbers

were large. Until last year, most women di-

involving men rose 2.5 percent.

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by the leading quides lair cor Douglaise, T.: 43.26.44.91.

City the leader by far.

ners were bisexual men.

NEW YORK - For the first

sentative Art Tenhouse, said his cantion, however, by Lilli Ann and farm life all seemed to wash as road Wednesday evening to look constituents dared not allow.

"A lot of my people just barely got through the farm crisis of the '80s," he said, "I don't know, this flood could be the straw that breaks their back. Losing a farm, losing a farmer's pride, that's one of the things I'm most concerned about.

Offshore, acres of shimmering river held a stately white home in almost full grasp, a house Mr. Tenhouse recalled sandbagging last week in a fury of collective resistance. "Look how it was just taken by the river," he said. In the day's uncertain sunshine,

however, the second floor of the house was marked beneath the window sills with a yellow-green tidal stain a few inches above the water. Like the sprig of green retrieved for Noah it was the first hint in Ursa that a turning point of retreat contact," she said, describing bow might have been made by the river. she bad discovered that with the Such a sign was taken only as a flood, crises in his personal, family

one over the man. Dittmer, a displaced farm wife who lost everything in the drought of

"I can try and identify with his despair, because in the drought 10 1983. Then, she encountered a welyears agn I had to watch all our ter of broken spirits and despair incked away silently on the rural corn just burn up in the fields," back roads of ber neighborhood. said the 44-year-old counselor. and she expects a similar emotional whose marriage eventually failed as the farm had. "Back then in the When she was forced into a new erywhere and you could see spirits career off the farm, Ms. Dittmer breaking day after day. I mean, got a master's degree in rural socifarmers were shooting their bank-

at what life had done." came one of a new breed of "crisis She had 50 clients in 10 counties managers" for troubled farmers, a term she diplomatically does not in her circuit rounds even before the flood hit, and she expects at often use before the stoical families least 50 more now.

ers, themselves, they were so angry

"This flood can remind them of how they lack power over nature, over the government, themselves, she said. "And so many can lash ont at what they control, beating their families, their farm animals, too. I've seen it.'

Far more serenely, Barbara

upriver, where her larmhouse and 480 acres of corn and beans rested under the Mississippi. "Hard to believe," she said of ber family's two decades of labor there, vowing that the flood was hardly the stuff to break the Kunzes. "My husband would never quit

'80s, family farms were failing ev-erwhere and you could see spirits absurd possibility, even while admitting they could never live in the house again and might wait as late as December to see the river fully retreat from the fields and be lucky to get a crop in next spring.

Mrs. Kunz looked out at all the water as the day died. Mr. Frakes was back from his mission to his mother's house. The river was at rest. The gloaming had a beauty best marked, again, in silence, Mrs. Kunz's son and newest farmer, Jay, tried to take a photograph adequate for the memory of the tragic flood. "I had some developed," he said, "and they lonked like all

### 18% Call Flood God's Rebuke

WASHINGTON - Nearly one in five Americans believes the disastrous flooding in the Midwest is God's punishment of sinners, according to a poll.

The Cable News Network/USA Today/Gailup poll asked 1,011 respondents whether "the recent floods in the Midwest are an indication of God's judgment on the people of the United States for their sinful ways." About 18 percent agreed, 78 percent disagreed and 4 percent had no

On another question, 63 percent said the U.S. government had responded to the flooding as quickly as it could, while 29 percent disagreed. The rest had no opinion.

The poll, taken July 19 to 21, had a margin of error of plus or minus three percentage

#### Elders Defends Her Sex-Education Advocacy

WASHINGTON - Dr. Joycelyn Elders defended her advocacy of sex education and condom distribution in Arkansas as hearings opened before the Senate Labor and Human Resources Committee on her nomination as surgeon general.

Dr. Elders, former director of the Arkansas Health Department, had been criticized by conservatives for supporting distribution of contraceptives in schools. She said that decision had been left to local school boards.

Even in those clinics, the parents must sign a release statement before their child can receive family planning counseling and contraceptives from the clinic," she said.

The hearing had been postponed a week while committee investigators gathered material on her role in an Arkansas banking dispute. On the banking matter, the National Bank of Arkansas sued Dr. Elders and other former members of its board of directors for \$1.5 million, accusing them of negligent mismanagement. The lawsuit was settled; the terms were not disclosed.

But that didn't settle the questions raised by Republicans. On Thursday the FBI delivered a report on the bank and Dr. Elders's

role. The contents of that report were not released.

Questions about her personal finances came up when her husband revealed that he had failed to pay Social Security taxes for a nurse hired to take care of his 97-year-old mother and when reports surfaced that Dr. Elders had been drawing a full state salary while working part-time for the federal government. Dr. Elders said she was doing the work in Washington on her vacation, but she then

signed her state post. The White House has remained from in its support of Dr. Elders, and President Bill Clinton repeated that Thursday. "I think she'll do very well," the president said.



Senator Moseley-Braun assailing the Helms amendment.

### A Black Senator Stymies Helms on Rebei Flag

WASHINGTON - The Schate's only black member, Carol Moseley-Braun, made the chamber listen as freshmen seldom do. Her oratory of impassioned tears and shouts stopped Senator Jesse Heims in his tracks as he defended the Confederate flag.

Mr. Helms, the 20-year North Carolina Republican, had sought —
and seemed to be finding — a way to preserve the design patent held
by United Daughters of the Confederacy on a symbol that includes

the flag.

But Scnator Moseley-Brann, a freshman from Illinois, took the floor in outrage at the defense of a symbol of slavery. Shouting, and floor in outrage at the Scnator.

rior in outrage at the derense of a symbol of slavely introduced and crying, she told the Senate:

"On this issue there can be no consensus. It is an outrage. It is an insult. It is absolutely unacceptable to me and to infillions of Americans, black or white, that we would put the imprimatur of the United States Senate on a symbol of this kind of idea."

The Senate was convinced. It killed the Helms amendment, 75-25, The Senate was convinced. It killed the Helms amendment, 75-25.

as 27 senators changed their votes over a three-hour period. (NYT)

#### Clinton Eulogizes Foster as 'One of the Best' LITTLE ROCK, Arkansas - At the funeral of the White House

deputy counsel. Vincent Foster Ir., Mr. Clinton remembered his longitime friend as "one of the ablest and best people I ever knew." Mr. Foster, 48, died Tuesday of an apparently self-inflicted gunshot

The Justice Department has said it will continue investigating Mr. (AP) Foster's death.

#### Quote/Unquote

Senator Orrin G. Hatch, Republican of Utah, during Senate Judiciary Committee hearings on Judge Ruth Bader Ginsburg's nomination to the Supreme Court: "Do taxpayers in your view have

a constitutional obligation or duty to fund abortions?

a constitutional obligation or duty to fund abortions?

Judge Ginsburg's response: "Taxpayers don't have an obligation or duty to do anything other than what Congress tells them that they or duty to do anything other than what Congress tells them (AP). have to do."

## **Away From Politics**

• lavestigators of the Branch Davidian fire near Waco, Texas, on April 19 are asking relatives of those believed to have been killed to come forward and offer blood samples for DNA comparisons. • Washington state has assessed a \$1 million fine against China Ocean Shipping Co., the owner of a Ireighter involved in a July 1991 oil spill. It was the state's largest penalty ever levied for such a spill.

 Greenpeace has charged that "dolphin-safe" labeling on tuna cans
might be misleading, because dolphins and other marine animals are
might be misleading. still being killed in nets used to cauch tuna.

e Eloise Ellis, who is accused of having pushed two persons onto subway tracks in New York this week, was arrested for a similar assault in May but was freed last month because prosecutors made an error, the Manhatian District Attorney has acknowledged.

DECTOR, the Mandatum Plants

### Red Tape Snarled Hunt for Trade Center Suspect should be offered for his capture, each agency steadfastly insisted that it was unable to provide it. Only Friday did the

WASHINGTON - A plan to offer up to \$2 million in government money for information about a missing suspect in the World Trade Center bombing was stymied for more than three months by a dispute over what agency should foot the bill, officials acknowledge.

The disagreement between the State Department and FBI meant the United States had to delay offering a reward for information about Ramzi Ahmed Yousef, who is believed to have fled to Iraq soon after the attack. The officials say privately that they fear the United States may have squandered a crucial chance to track down Mr. Yousef before he

Authorities have described Mr. Yousef, who is on the FBI's Ten Most Wanted List, as a central figure in the bombing plot, and he has been the subject of an intensive international manhunt for nearly foor months. But while the State Department and the FBI agreed that a large reward

State Department announce it was offering the bounty. While the standoff has not received public attention, it has left federal investigators and congressmen increasingly frus-

With the FBI charged with combatting terrorism at home and the State Department responsible abroad, the borderjumping nature of a plot that prosecutors say brought Egyptians. Iraqis and Palestinians together in an attack on a New York landmark seemed to have fallen between the

"This should never have been an issue," a congressional official said. "This is a case in which a little common sense would have gone a long way.

At issue in the prolonged dispute has been the question of bow much authority has been given to the State Department to offer rewards for information about international terror-

ers were omitted because under

State Department policy, "mere

membership in a terrorist organiza-

tion, other than the Palestine Lib-

Congress first gave the secretary of state the power to issue up to \$1 million rewards in 1984, and they have been paid in a series of high-profile cases, including the arrest of Fawaz Yunis, a suspect in the 1985 hijacking of an Egypt Air flight that led to the deaths of 2 hijackers and 60 passengers.

But the terms of the legislation, which was amended in

1991 to allow rewards of up to \$2 million, limit the State Department's authority to acts that take place primarily abroad. Congress also created a separate rewards program to be administered by the Justice Department in cases of domestic terrorism, but that program has not been adequately funded, officials said. The FBI often offers rewards in other kinds of domestic cases.

#### ■ 2 More Held in Bomb Plot

Two more people have been arrested in connection with a foiled plot to bomb landmarks in New York City, the FBI said Friday, according to an Agence France-Presse dispatch from Newark. The arrests brought the number of suspects in the alleged conspiracy to 12.

## How Terrorists Still Get U.S. Visas

this interpretation.

By Thomas W. Lippman Washington Post Service

WASHINGTON - Early this year an Egyptian court convicted 39 Islamie militants of terrorist activities. As of this week, only five of them are on the State Department's list of persons who should not remission, but he added that there ceive U.S. visas.

One reason, State Department officials told a House subcommitagnosed with AIDS had become tee, is that membership in a known infected through intravenous drug terrorist organization is not autouse, the agency said in its weekly report on the disease. matic grounds for denial of a visa. Even some persons convicted of As the AIDS epidemic continues. terrorist acts may receive visas uninto its 13th year, women continue less a consular officer has "reason to constitute a growing proportion of people with AIDS in the United to believe" they would commit such acts in this country, State De-States. The number of AIDS cases

among women jumped 9.8 percent partment officials said. The officials were trying to exin 1992, while the number of cases plain a series of blunders that allowed Sheikh Omar Abdel Rah-More than half the cases among man, an Egyptian cieric, to obtain ropolitan areas, with New York several visas and enter the United mats had identified him as a poten-

spread among women varied with the region of the country. In the Sheikh Rahman, who led mosques in New Jersey and Brookinfected with AIDS as a result of intravenous drug use. But transmission through heterosexual intercourse was more frequent among women with AIDS in the South, Midwest, West and the U.S. territonies, the agency reported

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ries, the agency reported.

The rates of AIDS cases involv
and other targets.

A State Department inspector ing women were higher for non- general Sherman M. Funk, who is Hispanic blacks and Hispanics conducting the investigation of the han for non-Hispanic whites.

Overall, in 1992, 47,095 new cases of AIDS were reported, an increase of 3.5 percent from the consultaneous content and the content increase of 3.5 percent from the consul general at the U.S. Embassy number reported in 1991.

The 1990 immigration law was intended to ease some restrictions that excluded people unfairly, he but "in terrorism, I don't think this applies. I can't accept

Mr. Funk said he interprets the policy to mean that "the only person who can be banned apparently is somebody who actually pulled the trigger or set the bomb off."

eration Organization," is not auto-According to the cable from Cairo, parts of which Mr. Funk read matic grounds for exclusion.

NEW FALL WINTER aloud, some of the 39 convicted COLLECTION Egyptian terrorists were not placed on the exclusion list because they were convicted in absentia and the United States does not recognize such convictions as valid. Others were omitted because they are appealing their coovictions. And oth-

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Compiled by Our Staff From Dispatches

TOKYO - Japan moved closer Friday to a change of power — its first in 38 years — as major opposition parties lined up behind a proposal for a coalition government.

The signs of opposition unity dealt a new blow to the scandal-plagued Liberal Democratic Party on the same day that a Liberal Democratic governor was arrested on suspicion of taking bribes.

The Liberal Democrats said voting would be held next Friday to replace Kiichi Miyazawa, who resigned as party president and prime minister in taking responsibility for the party's loss of a parliamentary majority in last Sun-

The vote will be by secret ballot of party legislators.

The Japan New Party and New Harbinger Party said Party, who formed his party I breakaway Liberal Democrats:

MOVING

The newly elected parliament is expected to meet Aug. 2 to choose the new prime minister. Mr. Miyazawa is to stay in office until a successor is named.

The Liberal Democrats are by far the biggest party in parliamed after winning 223 of the 511 seats in the more powerful lower house.

Chances of the new party leader becoming prime minister were further shaken Friday when two new conservative parties unveiled a proposal for a coalition government. They immediately received support from five other oppositioo parties.

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MEDDLE EAST

party caucus Thursday denounced the party's backroom electoral districting system to discourage corruption and tradition of choosing its leaders.

by the end of this year.

The two new parties said they would join a coalition government with any party that agreed to the proposal, but the Japan New Party's leader, Moribiro Hosokawa, had previously ruled on joining the Liberal Democrats.

Five other opposition parties that have been working toward a coalition said they basically supported the proposal, although the Socialists said their preferred method of changing the electoral system was slightly different.

"It is not at all anything different from our own opinions," said Tsutomu Hata, leader of the Japan Renewal Party, who formed his party last month with 43 other

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NANNIES AND DOMESTICS

suggested that relaxing government regulations and cutting back on the powers of bureaucrats in Tokyo would be charged with accepting 16 million yen (593,000) in result in a fairer, more competitive economic system both exchange for awarding dam and building projects. result in a fairer, more competitive economic system both

for Japanese and for loreigners. Without giving specifics, the coalition proposal said a new administration should "put the scalpel" to collusion between politicians, bureaucrats and businessmen. That collusion was illustrated in extreme form Friday

night when Fujio Takeuchi, 75, a local governor and former Construction Ministry official, was arrested on

The Japan New Party and the Renewal Party have Investigators in the Tokyo Public Prosecutor's Office suggested that relaxing government regulations and cut-were quoted as saying that Mr. Takenchi was expected to

If the opposition parties can work out the specifics of a policy accord, their next hurdle would be uniting on a candidate for prime minister. The Renewal Party's Mr. Hata, a former finance minister, and the Japan New Party chief, Mr. Hosokawa, are among the most likely possibili-

On the Liberal Democratic side, a veteran powerbroker suspicion of taking bribes from a construction company.

Mr. Takeuchi is the most senior politician arrested in the widening scandal surrounding the Hazama construc-

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NORTH AMERICA

# Japanese News Monopolies Giving Way

By Steven Brull tional Revald Tribute

TOKYO - Foreign journalists are beginning to gain admission to the Japanese press clubs that control access to news, but hard feelings after a long battle suggest that the

principle of equal and open access has not yet been fully accepted. In a setback for the movement to win equal treatment, Bloomberg Business News, which led the crusade to knock down the doors, was rejected July 14 by the press club at the Tokyo Stock Exchange, which it had lobbied

for years to join.
"Bloomberg used harsh tactics," said Yo-shiyuki Wada, chief of the editorial liaison section of the Japan Newspaper Publishers and Editors Association. "If you get into a fight it's hard not to hold a grudge," he added.

Frastrated by a cordial and quiet approach that was going nowhere despite reassurances of goodwill, Bloomberg decided to pressure the press club at the exchange with a decidedly non-Japanese approach: direct confronta-

Last fall and again this spring. Bloomberg reporters entered the press club and demanded corporate earnings announcements as they were being handed out. Bloomberg had been allowed to set up a desk in the hallway outside the club but has had to wait as long as 10 minutes longer for releases than other agencies in a situation where time is of the

Scuffles and threats ensued, and Bloomberg's actions drew international press attention. That, in turn, encouraged the publishers and editors association to issue guidelines last month to open the clubs "as a matter of principle to foreign correspondents who wish from the Foreign Ministry, which, fearing a backlash, had forced open its club last year.

But the principle of access for foreigners appears to have a flexible interpretation among the members of the stock exchange press club, whose votes determine whether new members are admitted.

"They still think the information belongs to the chib and they can dole it out to whomever they like," said David Butts, Bloom-berg's Tokyo burean chief. "It sends a chilling message that they can control what you do as a news organization." He also noted that the press club has the right to eject

The stock exchange club says that Bloomberg will be given another chance in October. But, as Mr. Wata said, "if they want to improve their chances, it would be best if they kept things quiet for a while."

For other foreign news agencies, the new idelines have been effective. The Economic Planning Agency and the Ministry of Inter-national Trade and Industry recently accepted Renters. The Imperial Household Agency has taken in The Associated Press. Several other ministries are also considering opening

Even the stock exchange press chib voted unanimously last week to admit Reuters, which had taken a low-key approach to gaining admission. Bloomberg got support from more than half of the club's members, but not

into the press clubs, powerful voices in the editors and publishers association are calling for overhanking the entire system. The idea, which would likely take years to bring to fruition, would be to completely dissolve the press clubs and give equality of opportunity to all reporters. Under such a system, editors of top newspapers presume, the congiomer-ates that dominate Japanese news organizations would have the means to get special

The approximately 600 press clubs attached to virtually all government institu-tions, industry associations and big compa-nies here have symbolized institutional discrimination in Japan.

Over the years, the clubs have kept foreign journalists at least one step behind breaking news in Japan. They have even barted for-eigners from attending briefings on events of major importance abroad, such as those following the 1965 stabbing of the U.S. ambassador, Edwin O. Reischauer, or Sony Coro.'s \$3.4 billion acquisition of Columbia Pictures Entertainment Inc. in 1989.

But critics say the permiciousness of the press clubs is far broader. The clubs foster excessive intimacy between journalists and their sources and create bonds that make reporters reluctant to criticize, they say.

The system also reinforces the tendency of the press in Japan to act less as a government watchdog or champion of consumers and more as a member of the establishment whose job is to disseminate official views.

## Renewed Khmer Rouge Attacks Feared

By Michael Richardson

International Herald Tribune SINGAPORE - Officials in Cambodia and other Southeast Atian countries are concerned that the Khmer Rouge may renew largescale attacks on the Cambodian his country. But the statement government if the guerrilla group is made no direct mention of the excluded from a role in running the Khmer Rouge or of U.S. and country, as the United States and French misgivings about the guerrant misgiving misgivings about the guerrant misgiving misgiving misgiving misgiving misgiving misgiving mis France propose.

Abdullah Ahmad Badawi, the Malaysian foreign minister, said dia following the cancellation of a the head of state, to seek a reconcilintion with the Khmer Rouge.

Mr. Badawi said that peace was still "fragile" in Cambodia and the United States should not try to dictate events there.

Earlier, in a joint statement, foreign ministers of the Association of South East Asian Nations said they hoped that "all Cambodians will continue to set aside factional in- Khieu Samphan, the nominal lead-

The ministers, who will end their annual meeting Saturday, said in their statement that they supported efforts by Prince Sihanouk to unify

Ali Alatas, the Indonesian foreign minister who was co-chairman of the Paris peace conference on Malaysian foreign manager, sans of the Paris peace country for Friday there was a risk that vio-Cambodia, said that the general sence would crupt again in Cambo-artitude in ASEAN was that "we, should have trust in Prince Sihaship to find solutions to the problems they are facing, including how to move towards national reconcili-

ation. On Tuesday, the prince called off a scheduled meeting with Khmer Rouge leaders, cining threats from the United States to withhold aid. The French have expressed similar reservations. Prince Sihanouk and

terests and work toward national reconciliation."

The ministers, who will end their under which the Khmer Ronge. would give up territory in exchange for an advisory role in the government and positions in the army. Khmer Rouge guerrillas control between 10 percent and 15 percent

of Cambodia's territory. The ASEAN foreign ministers said that there was an orgent need for emergency financial aid to sup-port the administrative, police and military structures of the govern-ment, which is a coalition between the royalist faction and the party that governed Cambodia after be-

The coalition is supposed to stay in power only until a new constitution is drafted by the constituent assembly chosen in May in an election the Khmer Rouge boycotted and attempted to disrupt. After the constitution is prepared the assembly will choose a permanent gov-

Amid the uncertainties surrounding Cambodia, however, eral Sanderson told Reuters.

ASEAN officials warned Friday that if the administrative and security apparatus of the interim gov-ernment broke down, it would be difficult to maintain the relative calm and stability that currently prevailed in the country.

Following Prince Sihanonk's ancouncement that he was calling off talks with the Khmer Rouge, officials in Phnom Penh warned that it might lead to an upsurge in fight-

"The Khmer Rouge might use force now to baryain," said Khisu Kanharith, the Cambodian information minister.

Lieutenant General John Sanderson, the UN commander in Cambodia, said Thursday that Khmer Rouge guerrillas could still pose a military threat if they were excluded from the peace process.

"They don't have the capability in my view, to take and hold strate." gic objectives, yet they can cause Cambodia a lot of problems," Gen-

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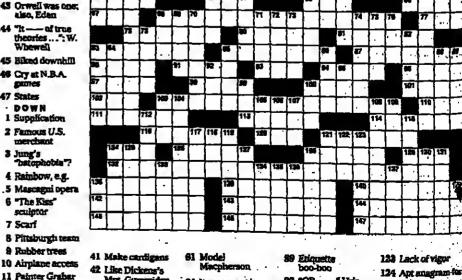
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# Russian Parliament **Escalates Challenge**

## It Adopts Bills to Undermine Yeltsin's Economic Policies

By Serge Schmemann

MOSCOW — The Russian parliament receised for the summer Friday after rushing through an extraordinary string of measures which, if put in force, threaten to disrupt the economy, undermine privatization, fracture relations with Ukraine, jail a key Yeltsin aide and, among many other things, expand the privileges of the legistes themselves.

The long list ranges from a bad-get that is double anticipated reve-

mes to little-noticed actions like closing KGB archives for an extra 20 years. It includes a declaration claiming the Crimean port of Sevastopol to be Russian, not Ukraiand another condemning the UN Security Council for denouncing the measure.

Other bills approved by the parliament would transfer control over cancel President Boris N. Yeltsin's decree on accelerating privatiza-sion, restore a missile deal with In-dia that was opposed by the United States and give the parliament full control over the Central Bank

For themselves, the deputies took over Moscow apartments they had been given as temporary resifits and authorized travel in military planes, which Mr. Yeltsin has denied them.

At the same time, they stripped arliamentary immunity from one of Mr. Yeltsin's senior aides, the first deputy prime minister, Yladi-

And agents from the office of Ressia'a chief prosecutor, Valentin G. Stepankov - a political ally of the conservatives — questioned one of Mr. Yeltsin's closest friends, Mikhail Poltoranin, the former minister of information and a bitter enemy of the parliament.

Both officials have been accused by the parliament of corruption.

The bills, many prepared in secret, marked the lifting of any vestigial veil from the intentions and hostility of the parliament.

Since a referendum in April, in which a majority of voters declared their preference for Mr. Yeltsin and the reform process he represents, the parliament has voted as if ... under siege, churning out outrageous measures that even six major instrument has been a conmonths ago would have given them

Most votes were virtually unaniliberal minority has simply stopped. draft a new election law.

participating in a legislature in which its voice and votes have no

Though technically many of the bills have the force of law, most commentators anticipated that Mr. Yeltsin would veto them or that his government would simply ignore them, as they have done with such legislation in the past.

But in the despair of his support-ers, Mr. Yeltsin remained silent at his vacation retreat in central Rus-

Liberal deputies and newspapers anxiously called on him to return quickly to Moscow.

Tt is completely inadmissible that the president continues vacation during such developments," declared Lev Ponomaryov, co-chairman of the Democratic Russia movement. "The tense simution demands his immediate return to

Mr. Yeltsin's chief of staff, Ser-ger Filatov, said that the president was monitoring the situation. "Any haste on the president's part would be undesirable," Mr. Filatov said in an interview. "What they want is to provoke hasty actions, to heat up the atmosphere and divide the pop-

For his part, Rusian I. Khasbulatov, the chairman of the parliament who has evolved into an inexorable foe of the president, warned depu-ties not to lower their guard.

"We are closing our session in a complex situation," he said. "Sharp turns in the political situation cannot be ruled out."

Mr. Khasbulatov added: "Depu-ties should be ready to resume their duties without any special notice if the situation comes to a head; they should be ready, if need be, to get together immediately to react to possible complications."

The "sharp turns" Mr. Khasbu-latov evidently feared, and the ones that seemed to spur the parlia-ment's actions, were Mr. Yeltsin's declared goal of disbanding the standing parliament and the larger Congress of People's Deputies from which it is drawn, and holding elections for a new, bicameral parliament.

Mr. Yeltsin has yet to declare how he would hold elections over the parliament's resistance. But his stitutional conference he called in June, which has drafted a new charter. Mr. Yeltsin has said that the mous, reflecting the fact that the conference could be reconvened to



Two Sarajevo women pushing trolleys loaded with their daily supplies of water past a heap of wrecked cars in the city center on Friday.

## Bosnia Serbs Call Peace Talks Pointless

iled by Our Staff From Disp SARAJEVO, Bosnia-Herzegovi-

na - The leader of Bosnia's rebel Serbs, Radovan Karadzic, said Friday that peace talks should be postponed for several months and that negotiating now would be point-

"They are militarily defeated, and we have no urgency to negotiate with them," Mr. Karadzic said

any strikes -- were not in place.

about the planned mission.

BRUSSELS — The United Nations secretary-general, Butros Butros Ghali, has asked NATO to delay

its new air support operation in Bosnia-Herzegovina,

diplomats said here Friday.

They said Mr. Butros Ghali had sent a letter to the

North Atlantic Treaty Organization, asking the alli-ance to delay the operation because forward air con-

trollers - who would be needed to guide the planes in

The letter said, I want to make sure my people are on the ground first, " said a senior NATO diplomat. But diplomats said Mr. Butros Ghali may also want

avoid starting the mission before peace talks in

Geneva, which are due to begin on Sunday.

NATO, which announced Thursday that it was ready to start the operation, has said it will act only if

asked by the United Nations and will not order strikes

Ambassadors from the 16 NATO nadons met in

Brussels to discuss the letter, which also asked the

alliance to refrain from making poblic announcements

Diplomats said Mr. Butros Ghali's letter reflected

concern that the operation should go smoothly,

NATO has only recently taken on the new mission of protecting the UN peacekeeping troops, with allied

There was continued heavy shell- Thorvald Stoltenberg, urged all ing of parts of Sarajevo, despite sides "to exercise restraint and cre-international insistence that Serbian gunners hold their fire. Bosnian Serbs control 70 percent of Bosnia-Herzogovina, while ethnic Croats occupy most of the rest.

The latest attempt to negotiate peace, scheduled to begin Friday, was postponed two days by a heavy Serbian attack on Sarajevo. The negotiators, Lord Owen and

UN Chief Asks Delay in Air Support

want to reach an agreement that would be acceptable to Serbs and Mr. Karadzic said the Geneva

planes already enforcing an air-exclusion zone over

the senior NATO diplomat said. "If you get it wrong, you could find yourself in more of a conflict than you

want and tarnish the credibility of the institutions.

"This breaks new ground for NATO and the UN,"

However, other diplomats said that some of the

nainder could be deployed within days.

There is a school of thought that says Butros Ghali

forward air controllers were in place and that the

wants to hold back ontil after the Geneva talks, that to

launch the operation now would anger the Bosnian

Serbs and hold out false hopes of protection to the

A NATO spokesman said on Thursday that about 60 U.S., French, British and Dutch ground attack planes and bombers were in place at Italian air bases, ready to protect UN forces in Bosnia when the United

The planes will be used to protect some 9,000 UN

Air strikes could be called in against tanks or

troops throughout Bosnia, as well as an additional

7,500 who have yet to be deployed in six Muslim "safe

artillery positions, but only if requested by UN forces

on the ground, who will be accompanied by forward air controllers with radios. (AFP, Reuters)

eas," including Sarajevo, the Bosnian capital.

Muslims," a diplomat said.

Nations gave the go-ahead.

air controllers with radios.

But in a letter to the oegotiators, Mr. Karadzic said the Muslim pres-

ident, Alija Izetbegovic, "does not

meeting "would be premature and

when the warring sides define their stands." Peace talks were postponed until

Sunday after Mr. Izetbegovic and his presidency said they could oot oegotiate while Serbian attacks continued and humanitarian aid convoys were blocked. On Friday, however, Bosnia's governing coun-cil, which Mr. Izetbegovic leads, proposed Tuesday as the starting

Mr. Karadzic said if negotiators insisted, he would go to the Geneva talks, but that he did not "believe in their positive outcome."

The European Community envoy, Foreign Minister Willy Claes of Belgium, who visited the area in an effort to get the warring parties in Bosnia to the negodating table, left Belgrade on Friday after failing to arrange a meeting with the Serbian leader, Slobodan Milosevic,

Mr. Claes said he had been told he was out of the country, but there was no official confirmation of the Serbian leader's whereabouts. There were these related devel-

opments Friday: The Conference on Security Cooperation in Europe deplored the Yugoslav government's decision to effectively ban its human rights mission and asserted that Yugoslavia had thus violated its commitments in the conference.

• Three Serhian policemen were scriously wounded in an armed attack on a police station at Prizren in the Serbian province of Kosovo, the Belgrade-based Tanjug ocws agency reported.

## Fearing Attacks, U.S. Acts to Rebuy **Afghan Missiles**

By Robin Wright and John M. Broder
Les Angeles Times Service

WASHINGTON — Partly in response to growing fears of terrorist attacks on American civilian aircraft, the Central Intelligence Agency has requested \$55 million to buy back hundreds of Stinger anti-aircraft missiles that the United States gave to Afghan rehels in the 1980s, according to U.S. sources.

The sum, which is more than five times a previous allocation for the covert Stinger repurchase program, was sought by the Clinton administration from contingency funds because of fierce competition for the missiles on the international black market, according to

U.S. agents have been finding themselves outbid for the shoulder-launched rockets that now fetch as much as \$100,000 apiece in the black market, officials said.

"Whatever we pay in get them back is a small price, given the almost insoluble threat to civil aviation that Stingers in the hands of terrorists pose," said Bruce Hoffman, a terrorism expert at the Rand Corp., a private research organization in Santa Monica, California.

Since the end of the Soviet occupation of Afghanistan in 1989. Washington has feared that the Stingers might fall into the hands of foreign extremists or bostile governments. After guerrillas ousted the Communist government in Kabul in the spring of 1992, the CIA launched a secret effort to recover the heat-seeking missiles with help

At a cost of at least \$30 million, the United States gave roughly 1,000 Stingers to the Afghan mujahidin in the mid- and late-1980s to combat the Soviet force and its surrogate government in Kabul. Stingers were particularly effective against Soviet helicopter gunships. Estimates vary, but up to about 250 may have been used, the

sources said.

The CIA originally hoped to secure the Stingers in exchange for humanitarian supplies or postwar reconstruction material, although

various offers were all spurned.

During the Bush administration, the CIA requested and was granted \$10 millioo to buy back the missiles, but the sum proved insufficient as the price mounted on the open market, the sources

Since February, the World Trade Center bombing and the discovery of a plot to bomb New York tunnels and the United Nations have heightened concern about innovative new twists to ano-American terrorism by Muslim extremists. In both incidents, at least one suspect was trained with or had links to the Afghan resistance.

Iran is also already believed in have acquired Stingers, possibly both by buying them and by confiscating them from Afghan rebels who crossed the border.

CIA officials are reportedly still not prepared to ensure that they will be able to acquire all the highly effective weapons even with the significant new funding, they said.

The Stingers have become a centerpiece of threat assessments of the post-Cold War era by both private and government analysis. One of the most common scenarios centered on a Stinger in the hands of Islamic extremists plotting to hring down an American passenger

Mr. Hoffman said the United States was unlikely to recover all or even most of the missiles because of the intense competition.

"Whoever has the most money is going to get them," he said.

"They're highly desirable, the state-of-the-art lightweight surface-to-

He said terrorist groups and the governments that support them will pay large sums to acquire such weapons because it is becoming increasingly difficult to threaten aircraft with hijackings or bomb-

mgs.
"They're turning to the only practical means available to them—and that's precisely the Stinger and similar weapons," Mr. Hoffman

Even if the United States can recover many of the missiles, oew versions from other countries are likely to flood into the market.

## EUROPE: British Quarrels Further Erode Maastricht

European integration except for falling back into the 19th century. It's up to our political class to French diplomat. make that clear to everybody."

hopes for further integration rest with the British and German courts, which must decide whether the Maastricht treaty fits with their constitutions. They need to rule. positively this autumn to enable the Community to take the oest step toward monetary union, the setting up of a prototype EC central bank MAJOR: Battered Leader Survives Confidence Vote

Continued from Page 1

stors to get its way. Thursday night and again. Foday, alling loyalists were reased from their seckbeds to

sast their votes. Mr. Major report-

inct meetings Thursday.

To satisfy one rebel, Mr. Major

and his aides gave strong assur-ances that Britain had no intention

of rejoining the exchange-rate

rency values intended to lead to-

ward a single European currency.

To win the votes of nine Ulster

Unionists, the government made-still-unspecified commitments

about the way it would approach the issue of Northern Ireland in the

After taking office in 1990, Mr.

12.75.020

pean Monetary System is to go as quickly as possible to the second phase of monetary union," said one That goet in turn, depends on

After the British Parliament's French and German persistence in the following off a franc devaluation. "The next few weeks will be ner-

vous weeks," said Norbert Walter, chief economist at Deutsche Bank AG in Frankfurt. "However, 1 believe the residual European Mone-tary System will survive."

Unlike last September, when open sniping between the Bundes-bank and British officials contrib-late this year.

Major enjoyed an extended honey.

moon. Last year be led Conserva-tives to a come-from-behind vic-

tory at the polls. Since then,

however, he has lurched from crisis

to crisis, all the while battling an

insurrection within his own party

mons and a party split by bitter

divisions. That Commons majority

is likely to shrink next week in a by-

election to replace a Conservative

member of Parliament who died. Surveys show that Mr. Major has

the lowest popularity rating of a British prime minister since opin-

What we need is a period of

competent, stable government,"

ion polling began:

over Europe and Maastricht. Mr. Major now presides over a sim 18-vote majority in the Com-

mechanism, German and French "The only way to save the Euroaothorities have consistently worked together to keep the franc tied to the Deutsche mark, Mr.

This week's modest cut in the repurchase rate by the Bundesbank suggested to some observers that the central bank would cut its discount rate by at least a half-point oext week, which would go a long way to rescuing the franc, he said. Further cuts in German rates are possible in coming months, he added, while the beginnings of an economic recovery should be visible

and economic monitoring mechauted to the pound's forced deparissue by the start of 1994.

The year-end will look a bit less
ture from the exchange-rate gloomy." Mr. Walter said.

the former Conservative Party

chairman Lord Cecil Parkinson

said in a radio interview Friday.

Major has got to establish himself

in the public mind again as a com-petent and effective person.

Parliament is now finished with

the Maastricht treaty. Both houses

have acted, Queen Elizabeth II has

given her royal assent and the only

thing in the way of final ratification

is a challenge pending in the courts.

tion could be delayed until the fall.

All of the other European Com-

munity nations have completed

the treaty faces a similar legal chal-

ratification except Germany, where

Walter noted ..

## Chinese Effort

Continued from Page 1

conditions for renewing China's most-favored-nation trading status

also try to determine whether the United States should impose punitive sanctions on China for its alleged sale to Pakistan of compo-nents for medium-range M-11 missiles that are believed capable of carrying ouclear as well as conventional warheads. Both China and Pakistan have

denied the charge, which Washing-ton says would violate a nonprolif-

eration accord. In discussions with ministers of ASEAN countries, Mr. Qian re-portedly has made it clear that China wants to attend an informal conference of Asia-Pacific leaders, which President Bill Clinton proposed should be held in Scattle in

U.S. officials said the aim of the Scattle summit meeting was to seek political agreement for moves to bring down barriers to trade and investment between nations in the Asia-Pacific area. The Clinton administration coo-

siders that the region offers more The government has expressed confidence that it will prevail on the legal issues, although ratificapromising prospects than any other for expanding American exports for expanding American exports, growth and jobs.

However, analysts said that Beijing was unlikely to go to Seattle if the United States is threatening to impose sanctions on China. As the largest and fastest growing economy in Asia, China a ab-

sence would undermine the effectiveness and credibility of the Scattle meeting.

the Seattle meeting because it was an important opportunity in "focus the U.S. president on Asian af-

The spokesman said that Mr. Qian indicated that China appreciated the importance of the meeting, was "inclined positively towards it," and would discuss the matter with Mr. Christopher.

In meeting the ASEAN foreign ministers as a bloe on Friday, Mr. Qian said that China would further open its market to expand trade. investment, business and tourism with ASEAN. He added that if China was to

continue to develop, it needed "a lasting international environment Democratic Party supporters from of peace and stability, and in particular, a favorable environment in our surrounding areas."

ASEAN has agreed to send a delegation to China next month to discuss a Chinese proposal for ex-"We don't know what tolerance panded economic, scientific and iechnological cooperation.

# European currency tensions

Maastricht ratification in Britain

Political turmoil in Japan

Middle East peace talks

Sarajevo besieged

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#### ALBANIA: Chaos Follows Rigidity in the New Order A spokesman for Singapore's Foreign Ministry said that Wong Kan Seng, the Singapore foreign minister, told Mr. Qian on Thurs-D.Kr. Monetary Fond'a suggested reopening of old state-run factories to assure jobs for 250,000 of its changes, which have produced 100,000 new jobs in the private sec-Continued from Page 1 day that Singapore would attend France Germany (mail

elections since the 1920s. Commonism here, as elsewhere in Eastern Europe, had its own tumultuous ending when student riots in 1990 ouched off a fit of "socialist cannibalism" that saw crowds in the cities destroy state-owned buses, trains and shops, and peasants shipping the state's livestock and eat up its food reserves.

The result was a sweeping shutdown of antiquated state industries and a plunge in agricultural pro-duction from which the country has vet to recover. Traveling the single-lane road to

Chirokaster in the far south country's oil fields is like visiting a museum of Communistera antiqnities - dilapidated factories, shabby apartment complexes, empty state run, stores and rundown

free-enterprise basis. He has rigor- group of 38 deputies. onsly followed the International . But it also wants a slower eco-

tor, increased agricultural producdon by 20 percent and reduced inflation to zero last month.

"It is a difficult situation, but things are getting better atep by step," he said in a recent interview. step," he said in a recent into they may not be getting better fast enough, however. Frustrated expectations about

the benefits of democracy and free enterprise are already leading to disenchantment with the government. This was reflected in the gains made by the Socialist Party, the successor to the old Communist Labor Party, in local elections a year ago. The Socialists won 54 percent of the vote against 32 percent for the Democrats.

The Socialist Party has sought to refurbish its image by adopting a "social democratic" line that oow favors a free-market economy and inidings favors a free market actions a free market actions and free market actions actions and free market actions and free market actions and free market actions actions actions and free market actions actions actions actions and free market actions actions actions actions actions actions actions actions actions ac vive the near-lifeless economy on a and head of its parliamentary

members that Mr. Dokle says Mr. Berisha's government has fired.

In a reversal of roles, Socialist feaders are presenting themselves as the country's true new demo-crats, demanding that secret-police files on all current elected politicians and candidates be opened to the public. The ruling Democratic Party, on the other hand, has been dragging its heels on this issue.

The Socialists also complain that Mr. Herisha's party is showing signs of a "new dictatorial attiinde" toward opponents. They cite an incident in Shkoder in northern Albania on June 18 when the police refused to protect eight Socialist legislators who were prevented by addressing a rally.

The problem, Mr. Dokle said, "is not just how to destroy the old mentality but how to create a new mentality here."

means," he said.

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Rest of Africa

# Herald Cribune

## **Bosnia's Cruel Mirror**

There is something petry and embarrassing about the Clinton administration's defenses of its policy in Bosnia. Here is one of the great set pieces of political tragedy of the late 20th century: the world's virtual abandonment of a whole country to Serbs and Croats flouting civilized standards and organized appeals alike. The collapse of Bosnia, epitomized by the siege eating away at the capital of Sarajevo, brings with it terrible losses and alarming implications. The shame is underlined by the fact that it is going on in full public view. Yet the president and secretary of state, commenting on the event, manage to convey that its keenest edge is the criticism of the United States for not doing more to avert it. In their seeming desire that Bosnia hurry up and go away, they reveal a measure of self-preoccu-pation that trivializes the horror.

The premise underlying American policythat a deeper military involvement is unwise and unwarranted — appears to be widely supported across the political spectrum. Mr. Clinton displayed his own caution not simply by limiting the military relief he offered Bosnia's Muslims hut also by conditioning even that limited offer on allied agreement and then by bedging his own efforts to secure

agreement. Typically, one government's hesitations were used to justify another's.

The president had further opportunity to be more than mostly a spectator at Bosnia's expiring. He was invited to join allies in sending ground troops to set up "sale areas" for Bosnian Muslims. He declined, and now, without acknowledging the U.S. contribution to the outcome, claims the initiative has been ineffective. Bosnia has held up the cruelest of mirrors to the world.

Secretary of State Warren Christopher advises that the United States is doing all it can in Bosnia "consistent with our national interest." His words come uncomfortably close to offer-ing a pass to the Serbs and Croats who are cutting up Bosnia, killing and uprooting its Muslims, toying with foreign relief and lying about it day by day. Mr. Christopher might better have saved policy debate for another day. Instead, he might have reminded Serbs and Croats that they are storing up a historical memory of themselves as violators of common decency and that they will be denied international comforts until their violence is undone. If words are to be spoken at this cruel moment, let Bosnians get some benefit from them.

- THE WASHINGTON POST.



America, true to its tradition of sheltering the oppressed, guarantees due process to all who claim asylum in the United States. Recently, however, America has devalued that guarantee. Public anxieties about job competition and terrorists as well as racism have so frightened Washington that it has been intercepting shiploads of Haitians and Chinese on the high seas before they can get a fair hearing on their claims of persecution. Now the Clinton administration, in cooperation with senators from both parties, is about to unveil a politically driven, poorly targeted package of legal changes, tentatively called the Expedited Exclusion and Asylum Reform Act of 1993.

Some asylum-seekers are phony. And granting everyone due process is time-consuming. But where is the crisis? Surely not in this year's expected total of 120,000 asylum claimants, 90 percent of whom are likely to be

ruled ineligible and deported.

The real crisis in U.S. asylum policy is one of poor management and scandalously inadequate resources. A shortage of asylum officers keeps the system in chronic backlog. At present, there are only 150 asylum officers in the whole country. By contrast, Germany has 3,000; Sweden bas 800. That shortage leaves legitimate refugees in protracted limbo and extends the period during which excludable aliens can stip unnoticed into society.

Unfortunately, the administration's proposals focus neither on resources nor even on the largest category of asylum claimants, those already within the United States when they initiate their asylum claims. Instead, they concentrate on speeding and simplifying procedures at airports and other points of entry, adding new grounds for exclusion, and restrict-

Ruth Bader Ginsburg to the Supreme Court,

it was possible to assume that the complexity of her views would make it hard for the

senators confirming her to apply simple lit-mus tests to ber thinking. But the bearings so

Senator Orrin Hatch wanted to know

whether Judge Ginsburg considered the death

penalty constitutional. Judge Ginsburg de-

clined to say, having taken the position that

while she would be glad to discuss ber past

writings, she did not want to get into an issue

about which she has written nothing - and

on which she would have to decide many

cases. Mr. Hatch was not pleased. "It appears

that your willingness to discuss the estab-

lished principles of constitutional law may

depend somewhat on whether your answer

might solicit a favorable response from the

commince," he suggested.

We have been here before. Democrats

could barely contain themselves in pointing

out that when the court nominees of Republi

can presidents - notably, Judges David Sou-

ter and Clarence Thomas - were before the

Judiciary Committee, the Republicans vigor-

ously defended their right not to answer ques-

far suggest that old habits die hard.

ing court review of deportation decisions. These changes would make it easier to deport future shiploads of smuggled Chinese without having to bustle them off on Mexico, as the Clinton administration just did. But they would do so at the risk of repatriating people who

could face persecution upon their return.

Asylum is a very different thing from immigration. Over the years, U.S. and international law have carefully and strictly defined categories of people who need protection from abusive governments or violently hostile neighbors. America, the land of liberty, has played a proud role in shaping international asylum law and has opened its arms over the years to East Europeans, Cubans, Indochinese and, more grudgingly, Central Americans.

But the record of the past two administrations has been anything but proud. President Bill Clinton, who once correctly characterized the Bush administration policy of forcibly repatriating Haitians as cruel, has now outdone his predecessor in returning "boat peo-ple" to the countries they are trying to flee,

Surely there is room for constructive streamlining of procedures — principally by hiring and training additional asylum officers and judges, and providing more adequate detention facilities. Some tightening also is needed in defining persecution under China's strict population-control policies. Tougher penalties need to be imposed on smugglers and others willfully abusing the asylum system. But there is no justification for compromising due process in the hearing of claims. As Congress deliberates the administration's proposals, it needs to douse the partic, provide the resources, and focus on reform rather than exclusion.

- THE NEW YORK TIMES.

tions on cases that might come before them.

Even after Mr. Hatch accepted Judge Gins-

burg's response, the committee chairman, Joe

Biden, could not resist reminding the Utah

Republican that during Judge Scuter's confir-mation hearings, Mr. Hatch had urged the

nominee to "stand your ground" in refusing to

give "answers which you clearly cannot provide." Back then, Mr. Hatch warned against the

Senate's imposing "indirect bunus tests on spe-

cific issues or cases" and said excessive senato-

rial probing "politicizes the judging function."
It is nice that senators keep old transcripts at

the ready to remind each other of how yester-

day's positions of principle can get tossed by

the wayside in the interests of today's political

imperatives. Mr. Biden graciously acknowl-

edged that be might not like to have all of his

Senators are clearly a long way from having

any consistent set of principles about what

they will - or won't - ask a potential Su-

preme Court nominee. Judge Ginsburg looks

set to sail through the Senate, which is good,

But the truce she has allowed the Senate

fudiciary Committee to enjoy seems well

- THE WASHINGTON POST.

cartier statements read back to him.

sbort of a lasting peace.



## Thailand: A Laboratory of Change and Democracy

BANGKOK — "It used to be a quiet country." Vichit Surapbongchai said. "We opened the door, and in came the wind of change. Do

we want to close it again?"

Mr. Vichit is president of Bangkok Bank, the country's largest, and his question was only rhetorical. No one visible here wants to end Thailand's boom. After economic growth in double digits over recent years, people are complaining that it is now a mere 8 percent or so - a figure that would be miracle in Western countries.

The explosive growth has consequences: social, political, environ-mental. They make Thailand a kind

to Bangkok is the physical transfor-mation. In the last balf-dozen years the city has been dotted with skyscrapers, and more are going up everywhere. The price in tranquillity is - traffic beyond belief, over-

crowding, inadequate sewers.

The social transformation is more important. A country of peasants is becoming one of industrial workers and entrepreneurs. It is a free-market society, where there has been almost no limit to what a risk-taker can try.

WASHINGTON - "Research Points To-

Street Journal. That was one of the more re-

strained responses to the news coming out of the

National Institutes of Health that a new study of

homosexuals had found that some might carry

genes that might predispose them to homosex

uality. The front page of The New York Times,

gushing about "the politically explosive study of the origins of sexual orientation" noted that "the

latest study is likely to add fuel to the debate over

If it does it will be another triumph of bype.

another vivid demonstration of what can come

from that volatile combination of scientific igno-

duced the widespread reporting of a genetic cause of criminality: the XYY (chromosomally

abnormal) male. The link has since been discred-

ited, most recently in a National Academy of

Sciences study issued this year. We have also

been treated to breathless reports of the discov-ery of genetic markers for alcoholism, manic-

depression and schizophrenia. All these claims

Similarly, the "gay gene" may not hold up. But even if it does, so what. The study shows that male

sexual orientation may be influenced by a gene or

genes at the tip of the X chromosome. That is interesting. But despite the bype, it has — or should have — no public policy implications.

Why not? If homosexuality is genetically deter-

mined like race and gender, should it not be

treated like race and gender as some immutable.

accidental characteristic? Should it not be wel-

comed as a normal condition of the human family,

were subsequently retracted or refuted.

Twenty-five years ago that combination pro-

rance and journalistic sensationalism.

gay rights in the military and civilian realms."

ward a 'Gay' Gene," announced The Wall

By Anthony Lewis

But to me the political consequences are the most fascinating. For the growth of a middle class and the involvement of Thailand in the world economy are playing a significant part in what seems to be a movement toward lasting democracy.

For decades, Thailand has had a

cycle of elected governments and mil-itary takeovers. The latest coup was in 1991, when General Suchinda Kraprayoon took over.
Then, in May 1992, Thai troops

fired on pro-democracy demonstra-tors, killing at least 52 people and perhaps as many as 200. The events of May, as they are called, shook the country - and the military. An election last September produced a government coalition led by pro-de-mocracy forces under Prime Minister Chuan Leekpai.

changing, and the chance of successful

interest in government. Another reason is that Thais, perhaps especially the crucial business people, are con-scious of foreign opinion and think coups make the country look bad. "Military intervention in future

cannot be ruled out," a diplomat said.
"It's not a done deal. The process of getting the military out of politics is not finished but it is progressing. The regard for foreign opinion in-cludes resentment of what Thais think

is an outdated foreign image of the country as a sleepy bollow full of drugs and prostitutes. The government in fact is trying hard to suppress drug traffic and child prostitution. It also has a serious AIDS prevention program, but the problem is pro-found: 400,000 to 500,000 people HIV positive in a population of 57 million. Thailand may be the freest country

in Asia. The print press is bold and critical. The other day the Bangkok Post criticized the government and others in the region for "their hypocritical policy of 'constructive en-gagement' with the brutal military regime next door in Burma.

The Thai military has a hand in

lucrative trade for Burmese timber, sociag to it that contracts go to companies in which their families and friends have an interest. "Burmese trees are very old and very large," one

person said, "so that's a lot of money for our generals."

The military also used to sell weap-ons to the Khmer Rouge in Cambodia, and it had a part in business deals with the Khmer Rouge for timber and gems. But the Thai government has largely suppressed that trade since the United Nations Securities

rity Council banned it 18 months ago. Continuation of the democratic trend may depend on Thailand's abilicially to competition for low-wage manufacturing from Vietnam and China, it will have to move to more sophisticated work. For that it will need to spend much more on education; 83 percent of employed Thais

have had only primary education.

Will democracy last? I asked Mr.

Vichit. "Tell me what lasts," he replied. "Buddhism says the ultimate truth is change. The rate of change is increasing. The dynamism is what makes life interesting."

The New York Times.

# When Faith In the Law Is Broken

By A. M. Rosenthal

NEW YORK - Let's all pun Crown Heights behind us certainly, but not now, not yet.

To walk away from Crown Heights now, with its real meaning and the real offense of New York City's gov. ernment still unstated and unexani-ined, would make it more likely that some other riot, some other pogrom, against some other group would be committed somewhere in America. There can be hope after Crown Heights — but, as always, only when reality is faced.

We are told Crown Heights is a

matter of Mayor David Dinkins's incompetence. Or - it is a matter of malarkey, that cockamanie story that he did not know how had it was, nobody told him. Or—the police brass were paralyzed by their own inefficiency and timorousness.

All true, but they do not add up to the whole. What is left out is what

the Hasidim know, why the feeling of betrayal is so deep in them. To inderstand the crime, understand the victim. The mayor allowed one. group of citizens to be persecuted. openly and violently, by another group of citizens without providing the victims with the protection of the law. What Hasidim know is this: That passiveness strikes at the essential difference between America and

the countries they or their parents
fled in fear and disgast.

I doubt that any of the Hasidim are
foolish enough to believe that in
America they would find a land where
religious or racial harred had been nated. But they knew that in the old countries, the government and the police were on the side of the pogromists. And they believed that in America it was the other way around: Officials or the police did not have to love you,

but they would protect you against the rioters. For them, that was the difference: the law as shield, not knife.

In four days in 1991, they learned that was not true for them. In their own neighborhood, they were set upon, beaten, reviled, one of them murdered — while the police, knowing and seeing failed to protect them. ing and seeing failed to protect them.
That is what Hasidim know
Crown Heights was about — the destruction of the law, the destruc-

tion of faith in the law. The bitterness of black violence against lews is that for both groups against Jews is that for both groups everything they fought and hope for rests on protection by the law, particularly against physical attack, in Selma or Brooklyn. Common self-interest in protective, law brought Jews and blacks together in the civil

rights struggle.

f do not understand why some lews do not understand what is in the bearts of the Hasidim, or are silent. They would not tolerate, for a mo-ment, police or mayoral failure against riots in their neighborhoods. 911 would damn well work. There would be no sympathetic clucks for root canse" rationalizations.

Are the Hasidim a little too Jewish for them? Maybe they think only a certain kind of Jew gets beaten up. Sweethearts, by you, you are Park, Avenue, by your wife you are Park, Avenue, but by an anti-Semite you

All right, we all know that Jews can be among the most suicidal of God's ostriches. But does everybody else have to be that thick, too?

Why does Governor Mario Cuomo. say we should be grateful to the mayor for all the riots that did not happen? Surely he jests; St. John's turns out great lawyers, but lesser comedians. Why does even the mayor's opponent, Rudolph Giuliani, not get to the gut of it — not one man's compe-tence, but belief and trust in the law?

who have most to gain from the law's protection against bigoted violence, not understand they have most to lose from the destruction of that shield? I understand the cheapjack black, politicians who heat up the streets one day and talk unctnously about brotherhood the next. But New York has African-American officials, business people, journalists, clergy and union people who despise them, easily enough to take leader-

Why do not African-Americans,

ship away from the slicksters. They do not. Why?
As for Mayor Dinkins, his future depends on his inner strength. Can he accept Crown Heights for what it was: not a mere chain of command foul-up, but his own failure to use the law to protect the oppressed or en-

Asia correctly warns that U.S. businesses must get in before it is too late. ed? He did not stop the buck. He did break the faith. The writer, who served for six years When that is understood by mayor. as the U.S. ambassador to the Asian public and press, New Yorkers can safety put those four days behind tributed this comment to the Interna-

them; not now.

The New York Times.

## IN OUR PAGES: 100, 75 AND 50 YEARS AGO

### 1893: Tensions in Siam

chase at the restraining bit. The

American Chambers of Commerce in

Development Bank in Manila, con-

ional Herald Tribune.

BANGKOK — Diplomatic relations between the French Minister and the Siamese have been broken off. It is believed that the French are delaying the blockade so that more of them warships may arrive from Saigon. These, it is supposed will co-operate with the gunboats already here to destroy the forts at the entrance to the harbor. A strong defence of. 12,000 men has been organised. Terrible hand to hand conflict on the French ships is probable.

#### 1918: Premature Toast

Civilians, who remained in Chareau-Thierry during the German occupa-tion, say that the Kaiser was there on June 2. Civilians were compelled to remain in their cellars. No reason was given. The next day German soldiers told the natives that the Keiser had been in the city with members of his

Metz road on a "triumphant" march toward the French capital. They said the Kaiser and his generals had a celebration which used some, at least. of the champagne which was taken from the wineshops of Chargan-Thierry. Now the Germans are retreating north and east from there.

the Germans start over the Paris-

#### 1943: Hopes for Rome

WASHINGTON — [From our New York edition:] President Roosevelt today [July 23] justified the bombing of Rome, saying it was necessary to save the lives of American and British soldiers in Sicily, since Rome is a center of Axis supplies and of troops moving south toward the Sicilian the-ater. The President revealed that for a year the United States has been urging, arguing, pleading with the Fair open city, which would render it immune to air attack, but without success. The President said he had hope staff and that he expected to watch. Rome would be made an open city.

#### ty to adapt to economic change, espeof laboratory of change. What strikes the visitor returning

Historically, the military has been seen by many Thais as an efficient alternative to corrupt politicians. The 1991 coup was at first popular.

But people say this attitude is changing and the change of successful

coups in future diminishing. In a more modern society there is more citizen

## Science Ought to Stay Out of the Gay-Rights Fight

By Charles Krauthammer and deserving protection against discrimination? The fact is, bowever, bomosexuality will never be like race and gender, genetically speaking. Except in the rurest of cases, race and gender are entirely genetically determined. But we know from studies of twins that the concordance rate of homosexuality in identical twins is only about 50 percent. Identical twins have identical genes. Yet if one twin is homosexual, half the time the

other has the opposite sexual orientation.

That means that even giving the greatest benefit of the doubt to genetic factors, a huge source of bomosexuality is nongenetic; environmental, behavioral, pedagogical. To put the twin study in perspective, the 50 percent concordance rate for homosexuality puts it somewhat below the concordance rates for manie-depressive disease.

Moreover, the findings of the new "gay gene" study are far more modest than have been advertised. As the authors admit in the original article just published in Science, "At present, we can say nothing about the fraction of all instances of male bomosexuality that are related or unrelated to the Xq28 (genetic) locus." All the study can say is that some males may have a heightened genetic susceptibility to homosexuality.

But heightened genetic susceptibility occurs in dozens of common conditions. It is well known, for example, that obesity runs in families. Some people are genetically predisposed to getting fat. Now, if weight were 100 percent determined by genetics, that would have implications. If you were marked at birth for girth, you could go ahead and eat all the hot dogs you wanted,

knowing it would make no difference in the end. But anything less than 100 percent genetic causation and the environment comes into play. That is why it is important what a person predisposed to obesity eats. If anything, a genetic predisposition makes it all the more important for a person to try to shape his environment and behavior to avoid

his genetically preferred outcome.

Similarly, a society averse to homosexuality might use this information about genetic predisposition for ever more stringent control of cultural influences and messages in the hope of "saving" the genetically predisposed from homosexuality.

That presupposes a society averse to homosex-

uality. Many gay activists entertain the hope that they can combat this aversion with scientific proof of a genetic basis for homosexuality. They try to draw on the prestige of science to justify homosexuality as a biologically determined and normal buman variant. Thus the National Gay and Lesbian Task Force was out within minutes of the release of the gay gene study with a statement that the NIH study "shows that homosexuality is a naturally occurring and common variation among numans." Again, so what? So is diabetes. So is alcohol-

ism. So is schizophrenia. Does that render any of these conditions desirable or normal? Does it tell us anything at all about how society ought to treat diabetics, alcoholics and schizophrenics? Science has nothing to say to either side of the gay-rights debate. The tolerance or discourage-ment of homosexuality is a question to be decided according to what people believe about the value,

morality and chances for happiness of a homosexual life. The science is irrelevant. So is this study. Washington Post Writers Group.

## Other Comment

Senators and the Judge

#### No, America Can't Take Them

America can't afford to lose control of its borders. President Clinton remarked recently. Where has be been? We've been sloppy about this for years. In the past few months, bowever, a number of well publicized incidents have gotten the attention of the president and major media outlets. Those in key government roles are discovering what a lot of "average" Americans have been troubled about for some time.

Aliens from Mexico have been entering the country illegally for decades. More recently, Haitians bave poured into the country to escape political persecution at home and in

search of job opportunities. When a boatload of illegally Chinese immigrants "washed up" on a New York City beach, yet another seri-

ous incursion became evident. There was a time when this country needed immigrants in large numbers, but that time is long past. Granted, there is a lot of anguish in the world, but this country, as well as other developed countries, should insist that their own citizens be given first priority for jobs and opportunities that are becoming increasingly hard to find. We must recognize that no nation can take in every unfortunate person who is or claims to be mistreated in his or her homeland. - Enterprise-Journal (McComb, Mississippi).



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# 'Get on With It' America — and Recognize Vietnam

HO CHI MINH CITY - The steps that President Bill Clinton recently took toward normalizing relations with Vietnam are good. but they don't go far enough. One move ended U.S. opposition to French and Japanese efforts to clear Vietnam's arrears to the International Monetary Fund. That will lift the legal obstacle to Vietnam borrowing from the IMF, the World Bank and the Asian Development Bank. Another step stationed three U.S. diplomats in Hanoi, But Mr. Clinton should "get on with it." lift

the embargo and recognize Viennam. Why? First, the MIA issue, heartwrenching though it be, is no reason to stick to present U.S. policy. Of course, the MIA issue is politically charged, especially for a president who did not serve in Vietnam and for relatives who continue to hope for the survival of their loved ones. Even so. Senator John McCain, a Republican, agrees with Senator Kerry, a Democrat and a fellow Vietnam veteran. that Hanoi has cooperated with the United States in searching for MIAs. And Admiral James Stockdale, a former prisoner of war in Vietnam, has acknowledged that it is unlikely that more prisoners remain.

Clearly, there is little reason to bold back on moves toward recognition for leverage 10 ohtain more MIA information. The recent case of an alleged 1972 document indicating that Hanoi may have lied about the number of prisoners it held deals more with prior possible lying than with present Vietnamese honesty.

By Victor H. Frank Jr.

Japanese and Asian officials see this issue for what it has become in U.S.-Viennamese relations: political and vengeful.

rights abuses might be grounds for a tough policy, but not in this case. The imprisonment of Vietnamese citizens for seven or more years for advocating a more open society is disturbing. Upsetting, too, is the large state presence in the economy. But a case can be made that a new U.S. presence in Vietnam would aid in the development of burnan and economic rights. Contacts help.

A surge of trade, investment and

leans would be even more successful if it spurred other reforms in Vietnam. Changes to promote human rights might include the admission of more independent nongovernment organizations, particularly those concerned with civil rights, and the opening of trials to the international media. Economic changes could include

the use of the Vietnamese State Committee on Cooperation and Investment as a one-window counter for approving private investment; the codification of commercial and ownership laws, including defining what ownership means: a gradual relinquishment of state control over, and subsidies to medium and large industries, and a gearing of multilateral loans to maximize private participation and minimize the role of the Vietnamese government in approving projects. U.S. companies must be unleashed

and allowed to expand in Vietnam,

building on the goodwill that I sense Victnam has toward America. The director of the foreign department in Victnam's central bank mentioned Second, buman- and economic-

this goodwill. The manager of its in-ternational division added, "The war is old history and forgotten."

Many ordinary Vietnamese are eager to talk about their relatives in the United States. "Come back," they say. Sncb professions of friendship are based in part on Vietnam's need for money, its desire for access to the U.S. market and help in safeguarding ethnic Vietnamese in Cam-hodia. Still, the expressions of Iriendship seem genuine.

To use that goodwill, whatever its motivation, American businesses want and deserve a shot at opportunities in Vietnam directly - and indi-rectly through multilateral loans. Here, Washington must move shead, approve quality losus by multilateral financial institutions and let U.S. business compete for procurement

under those loans. Royal Dutch/Shell Group, the British-Dutch oil company, operates in Vietnam. Banque Indosuez of France is present. Japanese trading companies facilitate the sale in Vietnam of Toyota and Nissan cars and trucks, as well as Sony and Hitachi products. Taiwan and Singapore

businesses abound.

Meanwhile, Citibank, Bank of America, Mobil, Amoco, Exton and other U.S. companies justifiably.

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# The Enigma Behind Pissarro's Cities

ONDON - Until Oct. 10, the greatest unresolved enigma of Impressionist art can be pondered at the Royal Academy. "The Impressionist and the City" is the first exhibition ever to focus on the urban views painted by Pissarro in the last 10 years of his life.

How an artist who until his early 60s had been absorbed in the French country-side and its rural life suddenly switched his attention to Paris and the Norman ports is a question that had never been asked. Nor had the pictures been much looked at as a whole. Richard R. Brettell of the Dallas Museum of Art notes in the catalogue that few museums own more than one or two

#### SOUREN MELIKIAN

townscapes by Pissarro. Had any substantial number of these been put together before, one odd characteristic would have leapt to the eye. Several have a quasi-topographical, highly structured character that seems a contradiction in terms with Impressionism and its emphasis on light,

The artist seems to have thought about it for a long time. A Paris view of the Boulevards Exteriours under snow from 1879 was his first experiment in urban perspective in 1879. A brief attempt at serial painting made in Rouen in 1883 led nowhere. The first serious campaign started in the winter of 1893 with four townscapes of which one, done from a hotel room opposite Saint-Lezare station, is in the show. Blandly topographical, it is over-burdened with detail.

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The painter waited a while before resuming his experiment in serial urban painting. In 1896, he produced a batch of 12 Rouen views between January and March, and another 29 between Sept. 8 and Nov. 12. These include some of his greatest works ever. After that, he did not stop until his death in 1903. By then, Pissarro had produced over 300 urban views, more than any artist since the days of the Venetian "Vedutisti."

Bennett tries to explain this outburst of activity in a new direction through a variety of reasons. One is money. Pissarro was forever strapped for cash, and urban views sold better. Bennett believes another reason is to be sought in what he calls "Pissarro's renewed interest in the lanarchist] movement." This is supposed to have made him look at crowds with fascination. "The melée of social classes in his urban painting forms a sort of visual/poli-

tical manifesto. Really?
Pissarro supported the far left all his life. He had good reason to loathe social bias and exploration. Iacob Abraham Camille Pissarro was born of Jewish parents, both practicing, in far away Charlotte, Amalic, capital of Saint Thomas in the Virgin Islands. His father, a Bordeaux merchant, had emigrated in 1824. The co-lonial environment probably alerted



A street scene in Rouen, painted in 1898.

young Camille to injustice. Then, there was a five-year stint in a boarding school in Paris, which may not have been pleasant. He returned in 1847, in principle to join the family business. But the young man was decidedly not cut out for bour-geois life. In 1855, he left for Paris, never to return.

to October, he visited the "Exposition Universelle" where he discovered Corot, Combet and Delacroix. Pissarro was ecstatic. He would be a painter. He met other aspiring artists, first Monet, then Cezanne and Gauguin, and later Manet. There came the trauma of the Franco-Prussian War. Pissarro fled to London, leaving his home in July 1870, and returning a year later to find it ransacked.

This was followed by the nightmare of the Commune, drowned in a bloodbath by an establishment clinging to its privileges. Pissarro, away from Paris and steeped in his art, was not involved. But he was not indifferent. His commitment to the anarchist movement was complete and never varied, as far as is known. It is unlikely to have affected his painting. If it did, there is no reason why any change should have appeared. As for the "miller of social classit takes a fine eye to detect status in the sketchy figures, often mere blobs verging on abstraction.

Hardly more coovincing is a third sug-gested reason — that he followed Monet. For one thing, Monet started so much earlier in doing serial views that "follow" is not the word. For another, what Pissarro strove to achieve is vastly different. Monet looks at variations of light on surface and volume. Pissarro at first aimed at structured compositions to which he gave, through a multitude of juxtaposed strokes, a kind of chopped-up linear quality with a sort of vibrato. It is a bit like an engraver's etching transposed in the thicker strokes of a brush loaded with oil paint. Pissarro, who had been practicing engraving and etching for decades, must surely have been influenced by this experience.

UT at the heart of his innovation there seems to have been another factor. What he appears to be studying is the varying sharpness of perception, like a photographer looking through a lens and changing the focus. Boulevard Monumartre: Rainy Weather Afternoon," despite the sketchy stroke technique, remains a precisely descriptive

The same boulevard at night is a masterpiece in image suggestion, it is figural, but only just. The perspective is indicated, but the detail is beyond recognition. (In anoth-

er view of the Boulevard Montmartre on Shrove Tuesday, only the rooftops at right really identify the subject matter of the picture. These two views could only have been painted in a world in which visible form was about to dissolve into abstraction. In Monet this comes later.)

Not only does Pissarro blur or sharpen his focus like a photographer playing with his lens, but, what is more, be zooms in on his subject in a way that is typical of the photographer's approach, occasionally positioning himself under a slightly different angle.
He did this in 1901 with his views of

The Pont-Neuf and the Statue of Henri IV." There is a striking diptych in the catalogue. One picture, painted from a distance, cuts out the right bank and shows the Institut de France dome on the left bank, clearly visible beyond the pale golden leaves of late October in Paris. The other, done one step closer, leaves the Institut drowned in greyish mist barely in he made out. Only the tree with the swing-ing rhythm of its branches, matters. It could be anywhere.

Lastly is Pissarro's device of painting his views from above. The suggestion that this was due to ill health, which would keep him in his hotel room, again fails to carry conviction. There were sunny days, and some views were painted outdoors anyway. The trick is related to Pissarro's interest in perception and I suspect, yet again linked to the influence of photography rather than Japanese woodblocks as has been argued — there is no easier way of shifting the angle when shooting or painting a landscape.

As in every experiment, results varied from the frequently pedestrian to the occasionally sublime. There is no need to linger amid the views of the Louvre or the endless vistas of the Avenue de l'Opéra. Where Pissarro brings in a Neo-Impres-sionist palette in pale pinks and yellows, his townscapes look like washed-down Monet-style postcards. But when the tourist sites are dropped and the paraphernalia of conventional Impressionism forgotten, surprise begins. "The Pilots' Jetty: Le Havre" is sophisticated in composition, subtle in atmospheric effects. The Port of Rouen, Saint Sever" is a masterpiece in suggestive atmosphere, all in nuances of white, black, grey, a bit of maroon, which sum up the smoky coldness of a riverside

The port of Rouen seen at sunset inspired the wonderful picture from the Na-tional Museum of Wales in Cardiff, which has less to do with Impressionism than with earlier British watercolors. British painting again must have lingered in Pissarro's mind as he did "The Boreldicu Bridge at Sunset, Rouen" in 1896. There is a Turner-like feel to the shimmering explosion in the sky and in the water under the

bridge.
At that moment, the old anarchist who started out as a mild impressionist con-cerned with rural life painted some of the greatest works in the twilight of European landscape painting.



Henry Shunk/ Yves Klein, "Le peintre se jetant dans le vide" (the artist in freefall).

## **Artistic Games in Blue**

By Michael Gibson International Herald Tribune

ARIS - The word acure ARIS — The work and this so nicely assorted to this summer season, is derived from the Persian term for the blue stone, lapis lazuli. To the impossible to represent. romanoc poets azure evoked both the heavens and the bues of faraway mountain ranges, It was the very color of remoteness.

In this sense it stands for those implausible and inaccessible places in which everyone is assumed to be happy - heaven or moois - and for the future that the Polish poet Julian Tuwim, with laconic irony, defined as "a time when we will be contented."

This is the subject of a thematic exhibitioo conceived by Herve Chandès and presented at the Cartier Foundation at Jouy-en-Josas, half-an-hour's drive southwest of Paris. Entitled "Azur," it runs to

The place itself, a vast country delight. One walks in through a "the Curse") and a large blue cancluster of small buildings known as "the Curse") and a large blue can-"the village" which contains the first part of the exhibition.

The main part of the exhibition is located in a monstrous threestory concrete blockhaus that the German Army built in the garden during World War II.

The exhibition, which extends from Delacroix to the present belongs in a sense to a new concept that selects some general notion and illustrates it through a far-

MONTE-CARLO

range of it S.H. the Sprereign Prince of Monaca

ranging choice of works. Peter 151"), all tend to reinforce one an-Greenaway did this for the notions of weight and flight in his delightful exhibition at the Louvre earlier

The View View and remote one another in the sense determined by this year. Hervé Chandes' purpose has been to suggest bow art manages to evoke aspects of human experience that might be thought

The show has the unusual merit of stressing the poetic potential of various contemporary works rather than their intellectual pretensions. The effect is cumulative, for contemporary works are all too often like the scattered fragments of an unseen whole that the spectator, like some aspiring paleontologist, is expected to reconstruct in his

E is, of course, incapainsufficient. But in a show like this, a blue painting by Yves Klein, a series of 12 forms carved out of blue African grant by James Lee Fars, a blue sky with

The Yves Klein monochrome painting is typical of the problem raised by much contemporary work. To the eye it offers nothing more than the pure intensity of a color. Nor does it offer more to the mind. To make any sort of sense of it, we have to place it in the context of a period and relate it to the artist's peculiar life and preten-

Set in the cootext of several bundred works, witty, lyrical or strange, it suddenly appears en-dowed with a meaning and even a serenity that it cannot be expected to achieve on its own.

The point is oot to praise Klein, whose importance here is slight. ble of doing so because the clues provided are to this exhibition. It does not so moch make a point as it arouses an emotioo and favors a reflective mood. It also provides some pleasantly straightforward aesthetic enjoyment, something that the stern, som of modernism had quite actively discouraged in recent de-

### **GALERIE MERMOZ** 6, rue Jean Mermoz - 75008 PARIS Tel.: (1) 42 25 84 80 - Fax: (1) 40 75 03 90 PRE-COLOMBIAN ART

### A Career View Of Larry Fink

International Herold Tribune ARLES France - In Larry Fink's pictures, one can almost smell the perspiration of the Philadelphia boxers, hear the frantic orders shouted by the Wall Street brokers, be caught in the laughter at his friends wedding reception or overhear the whispers of the powerful people on Capitol Hill.

More than 150 of Fink's black and white photographs are on show at the Espace des Arenes in Arles (until Aug. 15).

The 52-year-old photographer from New York said that he gleaned his convictions from his unconventional, left-leaning, so cially conscious mother," and his need for creative expression from his art-loving father.

-C.G. CUPIC One of Larry Fink boxer photographs at Arles show,



the Grand Theatre of Geneva since 1980, was designated Friday as the future chief of the Paris Opéra. Culture Minister Jacques Toubon, who announced the change at the annual opera festival here, said Gall would take over in August 1995, when his contract in Geneva

He will replace Pierre Berge, who is also head of the Yves Saint Laurent couture empire and a promi-nent supporter of President Francois Mitterrand. Berge was named president of the Paris Opera theaters in 1988, a title that bad not existed before. His turbulent regime has been marked by heavy turnover of high-level personnel, beginning with his dismissal of Daniel Barenboim as artistic direc-

Before Oct. 15 of this year, Gall will have to submit a report on his artistic and financial plans for the Paris Opera. It includes the Palais Garnier and the new Opera Bastille. The report will have to take into consideration the existence of other dance and opera institutions in France to coordinate the Paris program with "large regional stages and lyrical festivals like Aix," Tou-

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## **BOOKS**

STRANGE BEDFELLOWS: How Television and the Presidential Candidates Changed American Politics. By Tom Rosenstiel. 368 pages.

\$24.95. Hyperion. Reviewed by

Michiko Kakutani

DENOUNCEMENTS of the press by politicians proliferated during last year's presidential dimpaign. President George Bush's campaign complained that the news media suffered from a liberal bias. Bill Clinton's campaign com-plained that the media diverted attention from the real issues by focusing on silly matters like Gennifer Flowers. And Ross Perot's campaign complained that the media had become an obstacle be-tween the voter and the political

In his absorbing new book, "Strange Bedicilows," Tom Rosenstiel contends that such complaints belie a far more complex and munu-ally dependent relationship be-

tween politicians and the press. A media reporter for the Los. Angeles Times, Rosenstiel was con-vinced that "no one could understand American politics without understanding American television .first," and he decided to follow one television network for the entire

1992 campaign. His choice was ABC, whose a World News Tonight with Peter Jennings had been No. 1 in the ratings since the fall of 1989. The sible images that inggered deeper network gave Rosenstiel virtually complete access to its story and budget meetings, its internal

respondents, and he came away imsed: As he sees it, "World News Tonight" is the most serious of the nightly news broadcasts. NBC's coverage, he suggests, has suffered from the network's financial cut-backs, while CBS has taken an increasingly populist approach. Rosenstiel is most interested in

the dynamics between television and the world of politics it covers. "Journalists like to imagine the press to be a great mirror, reflecting the images it sees but not creating them," he writes. "The metaphor is convenient but wrong. The images in the mirror are magnified and the reflection distorted. The people pictured in the glass now spend too much of their time changing themselves to adapt to the mirror's

Indeed. Rosenstiel argues that for many years politicians have been using television to "go over the heads of the party and the press to appeal directly to voters."

In the 1976 campaign, he says, Jimmy Carter set out to win the otherwise meaningless lows can-cuses in order to convince the news media that he was the candidate with momentum. In 1980 and 1984, Ronald Reagan learned to control the pictures voters saw on television and thereby hone the image he projected to the world. And in 1988, George Bush discovered the symbolic issues — the Pledge of Allegiance and prison furloughs—that fit the abbreviated grammer of television, generating easily accesassociations in voters minds.

memos and its producers and cor- Rosenstiel argues, in 1992. Uoder the political strategist James Car-ville, he says, the Clinton campaign ization became "a surprisingly lean and simple animal" with a central nervous system designed "to massage and manipulate the media." Rosenstiel says Chinton

cultivated certain reporters, using them as sounding boards for his ideas, and he and his handlers also became adept at using the news media as tools to "manage reality." The Bush campaign, Rosenstiel adds, also tried to manipulate the media, though with somewhat more mixed results. At their convention, he says, the Republicans assigned "minders" to each net-

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work to help them secure guests, and to monitor their coverage.

What was new in the 1992 campaign, says Rosenstiel, was the "exanding media environment." Cutbacks in network coverage (because of increased cost cutting), combined with the growing influence of local television stations, shifted the way most Americans received their news.

Michiko Kakutani is on the staff of The New York Times.

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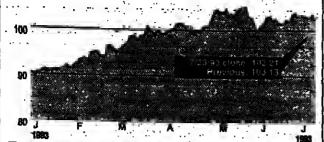
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## Call for Stimulus in Japan Just Might Get Through

By Peter Passell

EW YORK - "What the world needs from Japan is a sustained period of domestic demand-led growth," Lawrence H. Summers told a group of movers and shakers from the Japanese business community. The lecture, delivered by the U.S. undersecretary of the Treasury on the eve of the Group of Seven summit meeting in Tokyo this month, was not the first the Japanese had heard on this theme.

Nor, with President Bill Inton gearing up for his "jobs summit"

to be the last: Most Western would be the best way - perhaps the only practical way for Japan to get Washington off

impervious inner circle could be vulnerable. But even if the executives wholeheartedly agreed, they

would probably not be able to make their opinions felt: In Japan, more than in most other modern democracies, the inner circle of economic policy-making is dominated by deeply conservative civil

servants adept at resisting interest-group pressure.

"They are pre-Keynesians," concludes John Makin of the American Enterprise Institute, bureaucrats who would rather "risk a 1930s-style depression" than use deficit financing to stimulate the

There is still a chance, though, that the better-than-expected electoral showing of the Liberal Democratic Party — and the relative failure of the splinter Japan Renewal Party that had been not-so-quietly backed by the Ministry of Finance — will lead to

changes previously beyond the reach of big business.

Ironically, suggests Jan VanDenBerg, an economist formerly at
Merrill Lynch who is now waiting a book about Japan, the old-line LDP that had lost its credibility before this election "is on the side of good sense."

The second secon Japan's economic growth slowed to a crawl in 1991 and actually slipped into reverse in the second half of 1992. By no coincidence, imports fell sharply, reopening the yawning trade gap that had largely been closed in the late 1980s.

The Organization for Economic Cooperation and Development forecasts that Japan's current account surplus, the broadest measure of its financial balance with the rest of the world, will reach a record \$150 billion next year. What's more, unemployment will cominne to creep up as a tepid recovery fails to create jobs.

The Western medicine of choice would be a dose of fiscal

See JAPAN, Page 12

## Franc-Mark Link: Why Paris Is Stuck With It Now

By Tom Redburn International Herald Tribune

PARIS - The French government has painted itself into a corner by pinning so much of its relation-ship with Germany on the fixed parity between the franc and the Dentsche mark, analysis said Friday, but it now appears to have little choice but to continue with this strategy.

what is surely more of a historic than a purely economic link," said David Roche, European strategist at Morgan Stanley International in London. "What Europe needs to promote integration is more jobs, not a policy of high real interest rates that strangles

At the time of German unification to 1990, Paris rejected a golden opportunity to readjust European currency rates in a way that would have belped the Bundesbank control inflation without squeezing the German economy and the rest of Europe as much as it

That decision backfired spectacularly, helping to bring upon the current recession in much of Europe. And by insisting that any exchange-rate adjustment could leave the European Community in tatters. France has immeasurably raised the stakes in the currency game.

Nonetheless, French officials from President Francois Mitterrand on down have insisted ever since then "It was a mistake to place so much emphasis on that any devaluation of the frane would call into question not just Europe's currency grid but the entire what is surely more of a historical than a contract of Europe's currency grid but the entire goal of European unity.

Franch officials, reluctant to admit they might have

erred, defend this heavy emphasis on currency parities as necessary to prod the Bundesbank to ease up on interest rates. Despite a recent rise in Germany's money supply, the heat is on the German central bank to cut rates next week, to take some of the pressure off the franc.

"I can't believe the Bundesbank, when it is put to the test, is prepared to put a relationship going back 50 years at risk simply because of one month's figures," said Graham Bishop, an economist at Salomon Broth-

strictly in terms of economics.

On Friday, Germany again joined France in pledging to defend the franc against currency speculators as the French central bank raised short-term lending rates to 10 percent from 7.75 percent. But many traders insist that the relationship between the two currencies cannot long be defended through interest

"Raising interest rates was the worst move France could have made," Chris Zermann of Sal Oppenheim in Frankfurt told Reuters. "The higher rates cannot be sustained, with the French economy as it is."

All of this is occurring just as the bond that has been forged between Paris and Bonn has appeared to

In recent months, some French politicians have looked with envy at Britain, whose decision to Septem-

ers to London, referring to German money-supply data. "You simply cannot analyze the policy response in supporting Europe's beleaguered system of exchange-rate parities than London ever did.

"France and Germany have a mature marriage of many years to maintain," Mr. Roche said. "For Britain, it was simply a two-and-a-half-year affair with the

But while France and Germany remain closely tied on monetary matters and issues of European unity, other alliances are turning the Community ioto a much more fluid grouping.

Paris and London, for example, share an interest in foreign affairs and are allied in their misgivings over President Bill Clinton's decision to extend a freeze on ouclear-weapons testing. In addition, both have per-manent seats oo the UN Security Council, and they are reluctant to extend that status to Bonn and Tokyo.

Similarly, Bonn and London have a much stronger ber 1992 to pull out of Europe's exchange-rate mechanism and later to cut interest rates helped pull its economy out of recession.

commitment to free trade than Paris, and they have tried jointly to prod France to accept a global trade economy out of recession.

**OPEC Postpones** 

Talks as Saudis

And Iran Clash

after Saudi Arabia and Iran Arabia in this regard."

clashed over which country was re-

sponsible for the recent sharp fall

Officials at the Organization of

Petroleum Exporting Countries' headquarters in Vienna said no

new date had been set for the talks,

which were due to open pext

Wednesday.

Iran and Saudi Arabia are

OPEC's biggest producers, and if

they do not see eye to eye, chances

of an agreement on cutting output

Saudi Arabia's influential oil minister, Hisham Nazer, said Fri-

day that Iran was supplying more oil than allowed under its OPEC-set quota of 3.3 million barrels a

day. With this continuous excess of its quota, it alone bears the re-

sponsibility for the collapse of the

said in a statement distributed by

prices on the market," Mr. Nazer

the official Saudi Press Agency.

Iran earlier called for the king-

dom to cut its production from 8

million barrels a day. "There is no

justification for that country's pre-

sent rate of daily production," said an editorial to Thursday's edition

to boost prices must recede.

in oil prices.

Compiled by Our Staff From Dispatches

BRUSSELS — OPEC postponed on Friday an emergency
meeting scheduled for oext week

of the Tehran Times. The Englishlanguage oewspaper, which reflects
government thinking, said Iran
would urge "pressure on Saudi

The benchmark North Sea Brent

Blend oil price closed at \$16.69 for

September delivery on Friday, up 4 cents. The September contract for

U.S. light sweet crude closed 12 cents higher at \$17.75 on the New

The fight between the key pro

ducers broke out during a swing through the Middle East by the OPEC president, Jean Ping, who wanted to talk to members before

But after meeting Mr. Nazer Thursday in Saudi Arabia, Mr.

Ping said he would need more time

to collect the ideas of the member

nations. Saudi sources had said ear-

lier that the kingdom was opposed

to calling an emergency meeting fearing it would be contentious and

Mr. Ping arrived to Tehran oo Friday, where he said he planned to hold talks with the Iranian oil min-

ister, Gbolamreza Aqazadeh, on

The OPEC president's next stop is scheduled to be the United Arab

York Mercantile Exchange.

the emergeocy session.

counterproductive.

Emirates.

## **Profits Up** At Exxon **And Mobil**

tied by Our Staff From Dispatches IRVING, Texas - Exxon Corp. reported Friday a jump in second-quarter earnings of nearly 33 percent on revenue that rose less than I percent a performance that the company credited in part to cost-cutting measures.

Excon carned nearly \$1.24 bil-lion on revenue of \$27.9 billion. That compared with earnings of \$930 million on revenue of nearly \$27.8 billion during the second quarter of 1992. The results include \$210 million in one-time credits.

Meanwhile, to Fairfax, Virginia, Mobil Corp. said second-quarter earnings doubled because of higher natural-gas prices, cost-cutting and improved profits from fuel sales in

Profit from continuing opera-tions rose to \$519 million, from \$255 million during the same peri-

A net gain from special items totaling \$60 million in the most recent quarter resulted in net in-come of \$579 million for Mobil. The gain was the net result of \$213 million in tex-related benefits and losses of \$112 million for U.S. environmental expenses and \$41 million in restructuring costs. Results in the oil industry have

exceeded Wall Street expectations. The gains came despite weak crude-oil prices and stoggish economic conditions, said the Exxon chairman, L.R. Raymond, Cost reductions resulted from the restructuring steps taken in North Ameri-ca in 1992, he said.

During the first half of this year, Exxon carned \$2.4 billion, compared with \$2.2 billion in the first six months of 1992.

In Los Angeles, Occidental Pe-troleum Co. said second-quarter earnings rose 25 percent because of higher natural-gas prices and cost-cutting in its chemicals business.

## New Steel Cartel Charge Letter From Osaka Reopens the Debate

By Peter Behr

Washington Peat Service
WASHINGTON —On April 7, a steel importer in the Japanese port city of Osaka did something almost unthinkable in his country's tightly knit

He wrote a letter to the American steel industry accusing his country's steelmakers of operating a cartel to rig prices and control steel shipments into

Japan and other Asian nations. Long rumored outside the industry, the existence of such "gentlemen's agreements" among major Japanese and European steel mills to control steel trade in their two regions is explicitly denied

But the Japanese importer's charge that they do exist revives the debate at a critical time for major steelmakers, who have suffered large losses from recessions in the industrial world.

Representatives of Japan's five major steel mills "periodically meet and negotiate with overseas mills, except those in the U.S. and Eastern bloc countries," the importer wrote to the American Iron and Steel Institute, a trade group. He added, "Of course, such negotiations are always conducted confidentially, but most of the steel industry people know the facts."

In an interview, the Japanese steel trader, who asked not to be identified, said be had attended those meetings in the 1970s as an executive of one of the big Japanese mills before be left to establish

an importing company.

"Incredible, is my comment," said Eishiro Saito, former chairman of Nippon Steel Co. and one of those who rebuilt Japan's steel industry after World War II. "We have never been nor will we ever become a party to any such mechanism of controlling steel imports. I think that is a plain

But in interviews, two retired European steel executives said that beginning in the late 1970s they had met with steel company officials from competing European and Japanese concerns to seek agreements on setting prices of steel exports. "Steel-industry people do consult with each oth-

er," said Rudolph Hoorweg, a retired executive of Nedstaal, a German-owned steel company to the Netherlands. "We do not consider it to be illegal or

Pierre Sevenig, a retired steel executive from Lux-embourg, said he had attended meetings with Mr. Hoorweg in the early 1980s. He said he believed such meetings were still going on last year, when he left the company, although with less "enthusiasm" now that the industry was more competitive.

quite significantly," be said. The arrangement is "sleeping" oow, he said.

The question is timely because 12 major American steel companies have accused steelmakers in 19 other countries of violating U.S. trade law by fumping steel at unfairly low prices and taking advantage of extensive subsidies to keep unprofitable plants running.

If the American companies win their case before the U.S. International Trade Commission next week, foreign steelmakers could be hit with penalty duties that would price most of them out of the American market, perhaps for years.

Foreign steelmakers say stiff domestie competition, not imports, has caused the American companies to post a string of losses since the late 1980s. A spokesman for the European Community said

Japanese mills 'periodically meet and negotiate with overseas mills, except those in the U.S. and Eastern bloc.

A Japanese steel importer, in a letter to the American Iron and Steel Institute

EC regulations banned private agreements to fix prices and share markets. But lawyers for American steel companies said they had obtained records of meetings chaired by Mr. Hoorweg from 1979 to 1981 that showed efforts to fix prices on wire rods,

Mr. Hoorweg acknowledged that in the late 1970s and early 1980s, he was chairman of a group of European executives who met regularly to discuss prices and export goals for steel wire rod.

The group was part of an organization of European steel executives called the London Committee that reviewed steel exports from Europe, Mr. Sevenig said. At times, Japanese executives attended meetings with the European executives, Mr. Hoorweg and Mr. Sevenig said.

"an exchange of views, freely accepted limitations with oo formal agreement whatsoever - some kind of gentleman's agreement."

The influence of the London Club should not be overestimated." Mr. Hoorweg said. "It was

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NOTICE OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS

No shareholder having been present or represented at the ordinary general meeting of shareholders on June 29th, 1993, a second annual general meeting of shareholders will be held at its registered office in Luxembourg, 14, rue Aldringen, on August 2nd, 1993 at 15.00 o'clock for the purpose of considering and

1. to hear and accept: a) the management report of the directors
 b) the report of the auditor.

voting upon the following agenda:

To approve the statement of net assets and the statement of changes in net assets for the year ended March 31st, 1993.

To discharge the directors and the auditor with respect of their performance of duties during the year ended March 31st, 1993.

4. To elect the directors to serve until the next annual general meeting of shareholders

To elect the auditor to serve until the next annual general meeting of shareholders.

6. Any other business.

The shareholders are advised that no quorum for the statutory general meeting is required and that decisions will be taken at the majority of the shares present or represented at the meeting. In order to take part at the statutory meeting of August

2nd, 1993, the owners of bearer shares will have to deposit their shares five clear days before the meeting at the registered office of the Fund, 14, rue Aldringen, Luxembourg, or with the following bank:

Banque Générale du Luxembourg S.A., 14, rue Aldringen, Luxembourg.

## U.S. Air Fares Are Up, and Set to Climb

By Edwin McDowell

New York Times Service NEW YORK - In a surprising turnabout, the average U.S. airline ticket price has risen sharply this year — not only from last sommer, when a half-price sale helped 24 million Americans take to the air, but higher than the first six months of 1991.

The increase shows signs of holding despite sporadic sales and even though upstart regional carriers are forcing the biggest airlines to lower prices on competitive routes.

Thus, a year after the airlines abandoned efforts to simplify air fares, the lare categories are as numerous as ever and as confusing. While bargains are still available, sales and

discounts are more narrowly focused. As a result, analysts say, prices will continue to rise in small but steady increments.

"There have been very substantial fare increases since last year, both in leisure and business fares," said Robert Harrell, vice president of the air-fare management unit of American Express. "Through a series of steadily

**Eurocurrency Deposits** 

creeping increases that began the end of last summer, and went up month after month, the my fare for business rose 44 percent. carriers got the fare levels way back up." The average domestic ticket price was \$535

last month, according to Topaz Enterprises, a fare-auditing firm. That was not only higher than the \$458 average of June 1992 bot was up almost 12 percent from the \$479 average to To protect Japan's airlines, the government

plans curbs on discount tickets. Page 13.

June 1991. The big airlines put through the increases in an attempt to stanch losses, even though traffic remains sluggish. In December alone, the carriers pushed

through three price increases totaling 20 per-cent on unrestricted coach fares, the highestpriced economy fares used mostly by business travelers. Several other increases have since been tacked on.
In fact, from June 1992 through June 1993,

leisure fares rose 81 percent, according to the monthly American Express index, while coach

July 23

ECU

\$3 billion last year and almost \$10 billion since 1989, the higher fares are long overdue. Profits, however, remain thin, and oot since 1988 has the airline industry carned a net profit margin

of as much as 3 percent. One feature that survived the short-lived value pricing system totroduced by American Air-lines 15 months ago is to allow leisure travelers to change their flights for a commal fee.

From the viewpoint of the carriers, which lost

"The idea of trying to simplify fares was a great idea." said Phyllis Swiden of Village Travel in Brookings. South Dakota. Other fares that have returned are special rates for students.

children, members of the military, bereavemen fares, negotiated fares for corporate clicots and group fares for meetings and conventions. Southwest Airlines has added a twist. Oneway fares for tickets bought 14 days in advance;

oormally, the industry requires a round-trip purchase to qualify for special advance-pur-

## CURRENCY & INTEREST RATES

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## **Bull and NEC Plan Deal**

PARIS — Groupe Bull and NEC Corp. of Japan will soon announce a major deal on joint production of mainframes, the

French computer maker said Friday. But Bull denied a report that the two companies were also planning to work together on personal compute Michel Nicot, a Bull spokesman, said the idea of collaborating more

closely on mainframes had been under consideration for a year. NEC took a 4.3 percent stake in Bull in 1991. Another mainframe maker, International Business Machines Corp. of the United States, also owns a minority stake in Bull.

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## U.S./AT THE CLOSE

## **Improved Earnings** Lift Stock Prices

Compiled by Our Staff From Dispatches
NEW YORK - Prices ended higher Friday on the New York Stock Exchange, boosted by strong

MARKET DIARY

corporate earnings.
The Dow Jones industrial average, which slid 30.18 points on Thursday, was up 21.52 to 3.546.74. on volume of 218.07 million shares.

#### N.Y. Stocks

Advancing issues narrowly outnumbered declines.

The American stock exchange market value index inched up 0.69 to 432.05 while the Nasdaq comhined composite was up 4.72 points to 700.24.

The spotlight remained on corporate results in the absence of any major economic reports Friday. The volume of quarterly financial reports was lighter, though, than the heavy load released each day earlier to the week.

"Today's recovery is somewhat of a technical bounce," said James Schroeder, an analyst with MMS International adding, "We did see some rounds of computer-guided

huying."
The bellwether 30-year Treasury bond, which fell 15/32 Thursday to vield 6.66 percent, was down 17/32 to 105 15/32. The issue's yield hov-

ered around 6.70 percent.
Aside from the residual bearish effect of comments Thursday by the

chairman of the Federal Reserve Board, Alan Greenspan, who took a tough anti-inflation line, traders said bonds were being pressured by the rush of corporate and government debt issues and a rise in commodity prices. The Commodity Research Bureau index of 21 widely watched commodities, often used by investors as an inflation barometer. was up 0.99 to 218.98. Telefonos de Mexico was the

most active issue, climbing 2% to 49%, after the company reported a 3.63 percent gain in earnings for the first half of the year. USX-US Steel Group followed

inching up % to 36%. Its 9-millionshare offering had been priced at \$36.25 a share.

Among the other actives were IBM, which fell 1 to 42%. The company is expected to announce a 50 percent cut in its dividend next week and to take a restructuring charge of as much as \$5 billion to cut as many as 50,000 jobs. Elsewhere, Exxon Corp. was up

1 to 65%. The largest U.S. oil company said second-quarter net in-come advanced to 98 cents a share from 73 cents last year, largely because of cost cutting and one-time gains. Analysts had expected Exxon would carn 88 ceots.

Disney gained 2 to 39% after a brokerage upgraded its investment

rating on the company.
(Bloomberg, UPI)

## **Dollar Is Beneficiary** Of Upheaval in EMS

NEW YORK - The dollar gained against most major currencies Friday as investors sought shelter from turmoil in the European Community's exchange-rate

The European Monetary System's rate mechanism, which keeps

Foreign Exchange most EC currencies trading within narrow bands, came under persistent pressure as traders dumped the French franc, brushing off efforts

by the German and Freoch central

banks to stabilize it. An exit by the franc from the ERM would almost certainly lead to the system's collapse, and would probably be accompanied by currency devaluations and interest-

rate cuts by EC governments. "People are looking for a place to put their money, and the dollar is one of the places they're choosing." said Tom Benfer, senior currencymarket representative at the Bank of Montreal. Investors bought yen

and British pounds as well, he said. The dollar rose against the Deutsche mark throughout the London 1.7055 DM in New York late

Thursday.

The dollar also gained against the yen after the Bank of Japan bought dollars for yen to stabilize the U.S. currency after a sharp slide Thursday. The dollar closed at 106.90 yen, up from 105.75.

The franc remained under siege even as the German and French central banks bought the currency in large quantities, traders said The Bank of France also raised overnight interest rates to 10 per-cent from 7.75 percent to make speculating against the franc more expensive. The franc closed at 1.8781 to the dollar, up from 5.8075.

The pound recovered some of its overnight losses, meantime, after Prime Minister John Major survived a vote of confidence called after a dispute over his handling of Britain's membership in the European Community. The pound fell to \$1.5045 from \$1.5130.

Meanwhile, the dollar strengthened to 1.5200 Swiss francs from 1.5050 francs. In late European trading, the

dollar bad risen more than a pfeu-

**Dow Jones Averages** The Dow High Low Last Chy Daily closings of the Daw Jones industrial average Standard & Poor's Indexes 57.11 50.14 57.13 +2.97 57.14 58.16 57.13 +2.97 177.13 174.43 174.84 +0.27 45.9 45.9 45.9 +6.17 47.10 44.51 47.10 +2.57 472.94 471.41 471.94 +2.55 **MYSE Indexes** NASDAQ Indexes Nigh Low Close Cities **NYSE Most Actives** VOL. High Low Last Chy. AMEX Stock Index Dow Jones Bond Averages 10 Bonds 10 Utililles 10 lockstrial AMEX Most Actives Market Sales High Low Lost Chg. 2744 1296 550 2178 2239 4476 996 457 778 1456 254 964 354 654 THE STATE OF STATE STATE PROPERTY OF STANKES N.Y.S.E. Odd-Lot Trading NYSE Diary S&P 100 Index Options 第1年前衛衛門111 Amex Diary AMB Sep Oct New Doc Jam Peb Mar Mar Est, Sc Open 1 Dec 93 NASDAQ Diary

## Progress Seen in NAFTA Talks

OTTAWA - Negotiators from Canada, Mexico and the United States said Friday they had made progress on supplementary accords to the North American Free Trade Agreement, accords on the environment and labor considered crucial in persuading Congress to approve the pact.

But, they said, they did not resolve the toughest issue in the side agreements, as they are called: How to penalize nations that violate their own laws in those areas. The United States wants to be able to employ trade sanctions, while Canada and Mexico are strongly opposed.

nounce "final decisions," adding, "we feel we've made some progress."

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Lower Rates Seen if Budget Passes WASHINGTON (Combined Dispatches) — The White House economic adviser, Laura D'Andrea Tyson, said Friday that congressional passage of President Bill Clinton's budget plan would produce an additional "small" drop in long-term U.S. interest rates.

Ms. Tyson, chairman of the Council of Economic Advisers, said she

saw no reason to anticipate a rise in short-term rates, and she did not expect an "uptick" in inflation. She said there were no factors in the domestic economy or in the global economy that would push up the rate of inflation in the United States.

She added that the U.S. economy would grow at a slightly slower rate next year than the administration expected. The slower growth would be a result of lagging world growth and the failure of the president's jobs bill to pass Congress, she said.

## U.S. Vehicle Sales Up 17% in Mid-July

DETROIT (AP) - U.S. automakers said Friday that mid-July car and truck sales rose 17 percent, with only sporty reports of lost business due to

the Midwest flooding.

Car sales were up 13.5 percent and trucks rose 21.2 percent, not counting General Motors Corp. The No. 1 automaker delayed its numbers because of a two-week vacation shutdown. GM accounted for 39.8 percent of domestic vehicle sales in early July.

A Dean Witter Reynolds analyst. Ronald Giantz, estimated that the floods come the control of the c

floods cost the seven most affected states up to 40 percent of their auto business in mid-July.

### Caterpillar Posts a \$67 Million Profit

PEORIA, Illinois (AP) - Caterpillar Inc. said Friday it had earned \$67 million in the second quarter, or 66 cents a share, as demand for construction machinery soared in the United States. That result compares with a loss of \$64 million, or 63 cents a share, in

But the recession in Europe and economic turmoil in Brazil continued to prevent Caterpillar from matching its performance of 1989, when profit peaked at \$616 million, or of 1990, when it had a record \$11.4 billion in sales, it said. the same three months last year.

Kellogg's Earnings Decline by 13%

BATTLE CREEK, Michigan (Bloomberg) — Kellogg Co. said Friday that second-quarter earnings had declined 13 percent because of unfavorable foreign-exchange rates and a 2.7 percent drop in sales.

The cereal maker also said that it had increased its quarterly dividend to 34 cents a share from 32 cents and that its board authorized a \$200 million debt issue. Net income was \$142.7 million, or 62 cents a share, down from \$163.6 million, or 68 cents, a year earlier. Sales declined to \$1.54 billion from \$1.58 billion.

Shareholders Approve Marriott Split
WASHINGTON (AP) — Marriott Corp. shareholders on Friday
overwhelmingly approved the company's plan to split in two, separating
its worldwide empire of hotels and real estate. One segment is to be called
Marriott International Inc.; and the other, the real estate company. Host

Marriott Corp.

Marriott also plans to add 400 hotels with more than 50,000 rooms over

Marriott also plans to add 400 hotels with more than 50,000 rooms over the next five years to its 737 hotels, said the chairman, J. W. Marriott Jr.

#### For the Record

Joseph R. Perella will resign as chairman of Wasserstein Perella & Co. on Sept. 1, the Wall Street investment-banking firm said. "I feel the need to seek new challenges," Mr. Perella said.

Rhone-Podenc SA's long- and short-term debt ratings were downgraded by Moody's Investors Service, with the French company's senior and unsecured long-term debt dropping to A3 from A2. About 10 billion francs (\$1.7 billion) of debt is affected. Moody's said the downgrade was prompted by the French government's recent decision to privatize Rhône-Poulenc. (Knight-Ridder)

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# U.K. Grew 2d Quarter

LONDON - Britain's economy grew 0.5 percent in the second quarter, indicating the nation's recovery is gaining momentum, according to government figures released Friday.

Britain's gross domestic product grew at a rate of 0.3 percent in the last two quarters of 1992, and 0.4 percent in the first quarter of 1993, the government said

It said the economy had expanded 1.5 percent since last summer. Friday's figures, which were in line with economists' predictions, tistics suggesting that Britain was set for a sustainable recovery.

Economists said that the recession had now clearly been laid to rest, and growth was almost certain to heat the Treasury's forecast of a 1.25 percent rate this year.

"We are looking for 1.7 percent growth on the year, so we need to see the same sort of figures again in the third quarter and the fourth," said Darren Winder of the broker-Frage S.G. Warburg.

Some economists said growth could be as high as 2 percent this year, not far behind average growth of 2.25 percent seen over the past four decades.

Other economic indicators also flashed positive signals. British car output in June reached the highest level in a single month for three years, showing that many Britons feel slightly better off and are prepared to make major purchases. The Treasury said the figures

were encouraging. (Remers, AP)

## López Case Played Down VW Cost-Cutting Is Well Under Way

FRANKFURT — The fate of Volkswagen AG's production chief, José Ignacio López de Arriortua, will not cause analysts to alter their forecasts for 1993 earnings, even though traders predict the company's share price will take a temporary dive if he were forced to resign.

The arrival of Mr. López at VW, with his priceslashing reputation, was good news for the unprofitable car producer, analysts said. However, extensive cost-cutting measures needed to bring Volkswagen back in the black are now largely in place and will continue, with or without him.

"One man's fate won't change the course of VW's halance sheet," said a car-industry analyst for Bank Julius Bir, Joachim Bernsdorff. "The cost-cutting program is well under way and Lopez

departure won't stop the ball rolling."
Mr. Bernsdorff cited a recent interview in which Volkswagen's chairman, Ferdinand Piech, said 90 percent of previously announced cost-cutting measures aimed at improving profits were now in place.

Volkswagen had a group net loss of 1.247 billion Deutsche marks (\$747 million) in the first quarter, but has said it expected to return to profit in the fourth quarter.

The company's share price has dropped steadily over the last week because of uncertainty about the future of Mr. Lopez at VW, amid allegations he and other former associates at General Motors Corp. took secret GM trade documents with them when they moved to Volkswagen earlier this year. On Friday, the stock closed at 345 DM; down from 360.50 DM a week ago.

Speculation that Mr. López may have to quit VW mounted Thursday after the Darmstadt prosecutor's office announced it was widening investigation into the affair. The office said documents found in a Wiesba-

den apartment rented by two of his colleagues were "said to have been prepared and translated into German at the explicit request" of Mr. López.

A Morgan Stanley analyst, Chris Moore, said
Volkswagen's ability to return to profitability was
less dependent on the fate of Mr. López than on

the rate at which car suppliers implemented cost cuts and bow sales develop over the next few

"Such things are largely ont of Lopez' hands," the analyst said.

He added that, regardless of the presence of Mr. Lopez at Volkswagen, he had not expected the group to return to profit this year. "VW will need more than three months to turn around in, and

even Lopez is no magician," be said. The Morgan Stanley analyst said many people had "exaggeratedly high hopes" of what Mr. Lopez would achieve at Volkswagen when he arrived at the company in March.

An analyst for James Capel, Bob Barber, agreed

#### INTERNATIONAL STOCKS

that Volkswagen's widely publicized hiring of Mr. Lopez held "more mystique than reality." Mr. Moore of Morgan Stanley said that even it Mr. Lopez managed to weather the storm of current allegations, "it remains to be seen whether Volks-

wagen can really accommodate this charismatic Spaniard with a totally different mentality to Germans, and whether Lopez can change the working culture of Volkswagen's 270,000 workers." Stock-market traders also speculated that

Volkswagen's earnings this year would be ham-pered by exorbitantly high legal fees and fines should Mr. Lopez be found guilty of withholding documents and betraying company secrets.

However, Mr. Moore said those costs would be just a drop in the ocean" for a company of

olkswagen's size. Mr. Moore said he was keeping his earnings forecasts for Volkswagen unchanged, with the group net loss seen at about 1.5 billion DM and the

ss per share at 46 DML Volkswagen had a net profit last year of 147

Mr. Bernsdorff said he expected VW to post an erating loss this year, regardless of the fate of Mr. López. He said Volkswagen would only be able to make a profit this year if the company dipped into reserves built up from previous years.

## Germany's VIAG **And Bayernwerk** Set Munich Merger

MUNICH - VIAG AG, an in-

dustrial cooglomerate, and the electricity supplier Bayernwerk AG will merge and set up their headquarters here, the Bavarian government said Friday.

The Bavarian premier, Edmund Stoiber, reached a merger agree-ment with the VIAG chief execuove, Alfred Pfeiffer, the supervisory board chairman, Jochen Holzer, and the Bavernwerk chief execuove. Otto Majewski, according to an official statement.

At VIAG's annual sharehulder meeting earlier this month, Mr. Pfeiffer had already announced VIAG's headquarters would be moved to Munich from Bonn if the merger went through as expected. Bayernwerk's seat is already in Munich.

Under the agreement, the Bavar-

PARIS - The government, em-

ployers and trade unions agreed

Friday on measures 10 save

France's financially troubled un-

employment-insurance system, La-

bor Minister Michel Giraud said.

He said the system, managed

jointly by unions and employers,

had been facing bankruptcy because

of record unemployment of 3.14

million, 11.5 percent of the work

force, and a corresponding reduc-

percent stake in Bayernwerk in return for a 25.1 percent stake in VIAG and compensation in cash of at least 1 billioo Deutsche marks (\$585 million).

have annual sales of some 40 billion DM and employ some 100,000 people. So far, VIAG has been linked to Bayernwerk through a mi-nority stake of 39 percent, while cent of VIAG.

Mr. Stoiber said the agreement opened oew economic horizons for the region and counterbalanced the

French Deal on Jobs Fund

ian government will sell its 58.3 2/50 F MA M J J Exchancie **CBS Trend** The enlarged VIAG group will . Stock hodex: .DAX ... . ... FAZ.

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Bayernwerk in turn holds 25 per-In 1992, VIAG made group net profit of 370 million DM on sales of 24.3 billion DM. Bayernwerk reported net profit of 503.4 million DM in the financial year ended Sept. 30, 1992 on sales of 6.6 billion.

north's large conglomerates.

tion in the oumber of contributors.

Under the accord, employer un-

and the fund will make savings of

The package should raise an ex-tra 20 billion francs a year for the

4.62 billion francs a year.

system, known as Unedic.

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#### Very briefly:

French consumer prices fell by 0.1 percent in June from the figure in May, taking the increase so far this year to 1.4 percent.

• Hammerson Property Investment & Development Corp. sold its Woolgate House property in London's financial center to Scottish Amicable for £87 million (\$131 million).

employment-insurance payments will rise by 0.55 percent from Aug. • Trafalgar House PLC sold its London Square property io Guildford, 1, workers will pay 0.35 percent England, for £36.1 million (\$55 million) to private clients of Citibank. more, the government will pay 10 The Dutch first-quarter trade surplus was 6 billion guilders (\$330 million). hillion francs (\$1.7 billion) a year toward meeting the system's deficit

 Nozal, a unit of Usinor-Sacilor, and the Arbed SA unit Hardy-Tortuaux are to form a European steel-distribution venture. • INA's chairman said privatization of the Italian state insurance concern

was likely to occur oext January, rather than in November.

Knight-Ridder, AFP, Bloomberg, AFX

Continued from Page 1

thus make it easier for the franc to keep up with the mark.

Thursday's meeting of Bundesbank policymakers is the last before their monthlong summer recess, and French bankers consider it unthinkable that the German discount rate could be left unchanged for the next month.

The discount rate, currently at 6.75 percent, is the floor level of German rates. The moneymarket rate is currently at 7.15 percent, a mere four-tenths of a percentage point above that floor, which will leave little room for interest rates to drift lower over the next month if the discount rate is left unchanged.

French bankers say the pressure in the foreign-exchange market will become intolerable. if the German discount rate is not cut. But there

is considerable doubt that a half-point cut would be enough to calm the market.

"That won't really resolve the problem," said Neil MacKinnon at Citibank in London. "German rates need to fall substantially below French levels to give the French room to maneuver their own rates lower."

Finance Minister Edmond Alphandery of France said Friday that the government would step up pressure on speculators against the franc - primarily, investors and currency traders who are betting the franc will have to be devalued - without raising key interest rates.

In Belgium, meanwhile, the central bank raised its lowest interest rate, called the central rate, to 7.15 percent from 6.70 percent and its ceiling rate to 10 percent from 8.5 percent.

The central bank also said it was prepared to allow the Belgian franc to fluctuate in a wider

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band around its parity with the mark.

In the European Monetary System, core currencies - including the mark, the French franc and the Belgian franc - are allowed to fluctuate in value against one another by 2.25 percent either side of a central rate.

The mark ended European trading Friday at 20.69 Belgian francs, up from 20.65 francs Thursday. Its central rate is 20.6255 Belgian Other European currencies, ootably the Dan-

ish krone, Spanish peseta and Portuguese escudo, also were weaker Friday. The krone continued to weaken despite the

Danish National Bank's decision to raise its rate on certificates of deposit to 11 percent from 9 percent, after a similar rise Thursday in its money-market rate. The mark ended at 3.8942 kroner, up from 3.8825 kroner and edging closer to its maximum permitted level, in the current EMS alignment, of 3.9016 kroner.

### GRID: France Raises Interest Rates as Europe's Currency Turmoil Spreads Egypt and IMF Reach New Accord Mr. Shaalan said the IMF dele-

CAIRO - Egypt and the Interoational Mooetary Fund have up the sell-off of state enterprises. agreed in principle on economic reform that would win Cairo more than \$3 billion of Western deht forgiveness, officials said Friday.

Abdel-Shakour Shaalan, representing Egypt on the IMF executive board, said the agreement needed approval by the IMF man-aging director and would be submitted to the fund's executive board on Sept. 17.

The three-year accord commits Egypt to further trade liberalization and selling-off of state enterprises, banking reforms and control of its budget deficit.

Western economists said the new program would focus on speeding

Egypt carried ont earlier IMF reforms almost painlessly, but has delayed the World Bank's program of public-sector reforms, which threaten jobs of thousands.

"The privatization is oot an easy process," Mr. Shaalan said. "Privatization all over the world takes looger than expected and Egypt is not different. It is a difficult area and it has political and social considerations." Egypt has a thriving and modern private sector, but its huge, inefficient public sector still dominates the economy.

gation took into account the decline in foreign-currency income in the tourism industry, which has been hurt by a wave of militant Muslim attacks.

The oew program would write off 15 percent of Egypt's \$25 bil-lion debt to the Paris Club, worth between \$3 and \$4 hillion. A first tranche of 15 percent was forgiven when Egypt signed a free-market ecocomic program with the IMF and the World Bank in 1991.

Mr. Shaalan said Egypt would become eligible for the last 20 percent in 1994 after a review by the

### Nestlé Sales Up 4% in 6 Months

ZURICH - Nestlé SA reported Friday sales of 27.5 bilhon Swiss francs (\$18.1 billion) for the first half of this year, an increase of 4.5 percent over the like 1992 period.

The largest foodstuffs producer in the world expects only a satisfactory consolidated oct profit for 1993. Sales volume grew by only 1 percent, out taking into account acquisioons and divestments. Nestle said it was pleased

with progress in Asia.

Friday's Prices NASDAO prices as of 4 p.m. New York time. is list compiled by the AP, consists of the 1.0 the AP, consists of the 1,000 as in terms of dollar value. It is updated twice a yeer.

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Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

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# JAPAN: Calls to Stimulate the Economy Just Might Be Heard This Time

stimulus, increasing demand for both domestic products and imports. Cutting taxes, particularly on consumer goods, would be the speediest means to that end. And it would probably be the most popular, giving Japan's involuntarily ascetic citizenry a chance at a better life.

But Shafiqui Islam, an economist at the Council on Foreign Relations, points with considerable sympathy to the ideological barriers to opening the fiscal spigot.

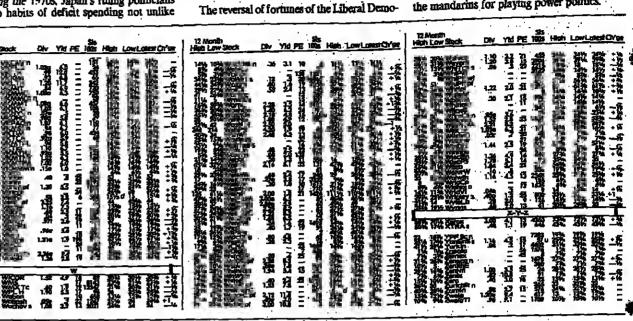
During the 1970s, Japan's ruling politicians fell into habits of deficit spending not unlike

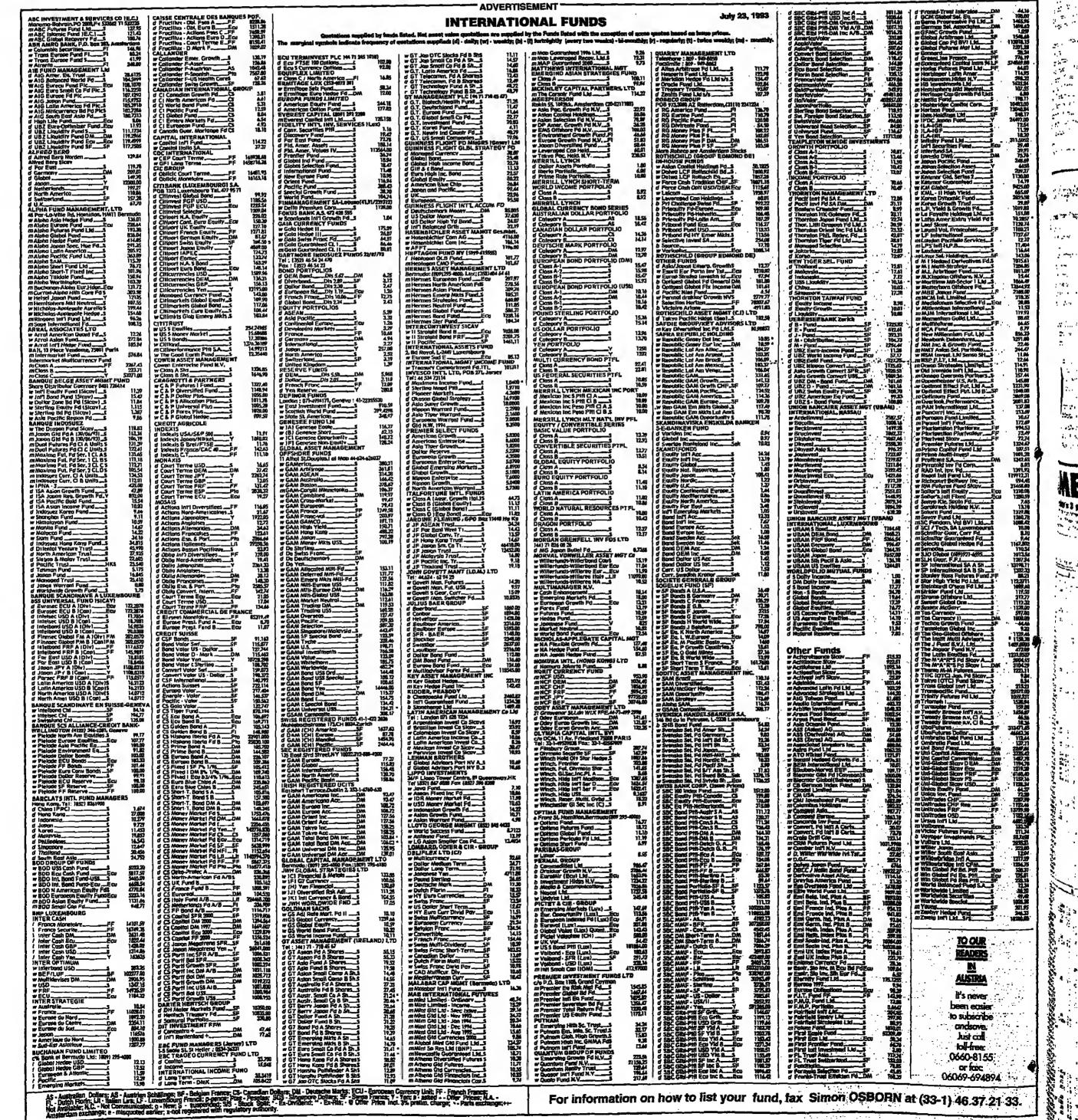
America's in the 1980s. And the hard-won success of the bureaucracy in wrestling the budget back into the black, he notes, has left a deep mark on the Ministry of Finance. "They now feel it's their responsibility to keep the budget balanced," he says.

Robert Z. Lawrence, an economist at the Kennedy School of Government at Harvard, is less reverent about what he sees as a power grab in the face of a weakening government: "The Ministry of Finance gets its jollies by saying no," he concludes.

cratic Party in the wake of one too many financial scandals might be expected to strengthen the bureaucrats' capacity to resist calls for any change in economic policy. But this time around, the Ministry of Finance may have outsmarted itself.

By most reports, the economic bureaucrats were banking on the total collapse of the LDP, with the void to be filled by a coalition led by their ally, former Finance Minister Tsmomu Hats. Now it appears that the LDP will once again be able to cobble together a government one that will have strong incentives to punish the mandarins for playing power politics.





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## Japan Bank **Sees Slow** Recovery

TOKYO — Japan's economic slowdown was seen to be moving toward a recovery in the second half of the fiscal year ending next March, but the Bank of Japan said in its quarterly outlook on Friday that uncertainties remained at

The central bank expressed concern about the adverse effect of a high yea on corporate profits. 'Its negative impact on business confidence is large," the bank said.

The strong yen could damage cor-porate profits, although it would have only a limited effect in cutting the value of Japanese exports for the

time being, the bank said.

Meanwhile, the Japan Automobile Manufacturers Association said 1993 vehicle production may fall to levels last seen a decade ago.

Production in the first six months of 1993 was down 7.2 percent from the same period a year earlier, to 5.88 million, the third straight decline for the period. The drop was the second only to the 9.4 percent fall of the first half of 1974. On Priday, the central bank bought dollars in the currency mar-

ket in an attempt to halt further yen appreciation. The central bank's report said that in the long term, the currentaccount surplus would stop ex-

panding as economic recovery inreased imports. Japanese interest rates remained at extremely low levels." The 1.4 percent increase in June

money supply was mainly due to fiscal spending a bank official said. The figure would have been negative, said Tetsuo Tsukimura, an economist at Smith Barney, were it not for fiscal spending. A real recovery in money supply depends on increased bank lending to corporations, he added.

(Reuters, Bloomberg)

Continued from Page 1 which is forcing them to pay with IOUs. Any

tightening of the money supply could also mean

that rural offices will run out of cash to pay for

In strictly economic terms, China's difficul-

ties are short-term and reflect the boom-bust

cycle that has marked growth for a dozen years,

Many foreign and domestic economists are still-

enormously optimistic about the country's

Deputy Prime Minister Zlau Rongii has been put in charge of the clampdown, and the leader-

ship is circulating a secret 16-point plan to cool

Three years ago, a similar clampdown also

caused resentment, hin the workers remained

silent, remembering all too well the outcome of

the 1989 Tiananmen democracy movement

These days people are far less afraid of the government. Rising anger and diminishing fear

In the government's nightmane scenario, the clampdown would take hold in the coming

months and stir growing unrest - and just at

could be a volatile combination.

the grain they buy from farmers.

long-term prospects.

## Japan's Fare Deals at Risk **Curbs Planned on Cheap Air Tickets**

TOKYO — In Japan, the consumer has always been last in the minds of bureaucrats, who are dedicated to protecting and promoting business. In the interest of protecting Japanese airlines,

the Transport Ministry is threatening to crack down on discount travel agencies that cut as much as 80 percent off regulated prices.

"That would hurt," said Michael Marks, a man-

ager at World Air Plan, a discount agency. "If everyone's paying the same, there's no reason to advertise. There's no reason to have thousands of travel agencies."

The ministry sets prices for air tickets bought by individuals but allows discounts on seats bought in a block for package tours. For years, travel agents have bought blocks of seats, then sold them individually at reduced prices.

It started as a way for foreigners to buy tickets at prices appreaching what they were used to at home. Soon seasoned Japanese tourists picked up on the idea, and now discount agencies do a

The danger of steep discounts, says the ministry, is that "they create a distrust" of the regulated

Discount sales tend to favor U.S. carriers. Their cost-cutting efforts after years of deregulation in the United States have made them leaner and able to offer lower prices. Agencies that sell discount tickets use U.S. or Asian airlines that offer cheaper group travel fares than Japanese airlines.

Japanese airlines "tried to offer perfect service, but it all boils down to moncy," Mr. Marks said. They're just angry that foreign carriers are taking

away the market. While the proposed measures are sure to blunt the competitive edge of U.S. airlines, there has been little protest. American carriers stand to benefit from higher revenue if prices are set artifi-

The demand for cheap tickets shows no signs of stopping, Japan Travel Bureau, the country's largest travel agency with 32 percent of sales from

overseas tours, began selling them last year.

Some of the discount agencies are not worried. As long as there is a demand for cheap tickets, there will be a market, said Raj Katori, a manager at Number One Travel, which is owned by Japan's largest discount chain, HIS Travel.

"We'd like to offer lower fares but can't," said

Masao Shibuya, director of commercial relations at All Nippon Airways, Japan's second-largest carrier. "The fares should cover the costs that the

ANA and Japan's No. 1 carrier, Japan Air Lines, support the proposal. "I don't think it's fair to have passengers who paid the normal fare sitting next to people who got deep discounts," said ANA's Mr. Shibuya.

Discount sales tend to favor U.S. carriers. Their cost-cutting efforts after years of deregulation in the United States have made them leaner and able to offer lower prices.

## Taipei Raises Investor Limits

TAIPEI - Taiwan will ease restrictions on foreign investment in its stock market, doubling the limit for investment and easing curbs on capital flows, the Securities and Exchange Commission said Friday.
SEC Chairman Day Linin said the central bank and
Finance Ministry had agreed to the new rules, which

Taiwan's financial markets.

The limit on total foreign investment in the stock market will be raised to \$5 billion from \$2.5 billion, and the maximum investment by an individual com-Approximately the second

had. The worry is not that growth has stalled but that it is running out of control. In econo-

mies as in cars, most people prefer one with a

sticky accelerator to one that will not start, but

The forced purchases of bonds was one of the

first of the 16 points to be carried out and one

This marriage of capitalist instruments and communist methods reflects China's difficulties

in making the transition to a market economy.

Two years ago the government announced that it would stop requiring people to buy bonds, and that it would adjust interest rates

and rely on voluntary purchases, as other coun-

tries do. That worked fine as long as inflation

This year, however, with three-year bonds

paying only 14 percent annually, voluntary pur-chasers were lagging at the May I deadline. The

was low and interest rates were high.

the resulting ride can be pretty hair-raising

representing as much as a month's wage.

d fund managers have applied to invest a total of \$2.36 billion since Taiwan opened its market to direct was brought to an end forcefully. investment by foreign institutions in early 1991. They have obtained approval to invest \$1.87 billion and

allow foreign investors to send capital gains back to rized in a law passed in 1963 that their home countries freely after an initial three-month had never been used, compelled the

cy powers that the government had Subject to approval by parliament, the SEC will also

He added, "In a certain sense, it may be fortunate that the situation

nvoked this week to deal with the Hyundai crisis. Its action, authoauto plant's union and manage

Hyundai Motor men; to suspend their dispute for 20 days and seek a solution. SEOUL - A labor dispute that The confrontation was the first

**Workers Ratify** 

Wage Accord at

had discupted Hyundai Motor Co.,

ing more than 40,000 workers.

About 10,000 riot police armed

with tear gas were deployed around

the companies Friday during the

voting at Hyundai Motor. Govern-

ment officials said they were there

Hyundai's management wel-

We are sorry for the trouble

comed the approval and promised to work to heal any scars caused.

caused by the dispute," said the

company president, Chon Sung

Won.
"We accept the results," a union

executive who insisted on anonym-

ity said in a telephone interview.

He was referring to the emergen

to deter violence.

labor test for Mr. Kim's civilian South Korea's largest automaker. government. Mr. Kim, a former for more than a month ended Fridissident, has supported freer day when workers narrowly apunion activity since taking office in proved a new wage contract. February. His government said it The approval, although it was by had been forced to crack down beonly 50.1 percent of the 28.306 cause of the effect the dispute was votes cast, defused the first major having on South Korea's sluggish labor crisis for President Kim economy. By government esti-mates, the 36 days of strikes and Young Sam's government. It was also expected to have a calming other work stoppages at the Hyuneffect on disputes at six other

Hyundai Group companies involvlost production and exports. Auto exports are one of the key All the companies involved, infactors in the recovery of South chiding Hyundai Heavy Industries Korea's economy, which grew 3.3 Co., which runs the world's largest percent in the first three months of shipyard, are in Ulsan, 320 kilomethis year, one of the lowest growth ters (200 miles) southeast of Seoul.

dai auto plant cost \$1.6 billion in

rates in 10 years. The new agreement calls for a 4.7 percent pay increase plus improvements in housing and other bene-fits. The union had sought a 16.5 percent pay raise plus a larger role management and hiring.

Hyundai said an average autoworker with six years' experience makes about \$1,625 a month. We expect that the situation will calm down as a result of Friday's vote," a Hyundai spokesman

But 18,000 workers at Hyundai Heavy Industries Co., the world's largest shipyard, said they would continue their strike Saturday for the second consecutive day, ac-

cording to union leaders. Hyundai, one of South Korea's largest conglomerates, has companies involved in construction, shipbuilding, electronics, automobile production, trading and finance.

(AP, Bloomberg)

Investor's Asia Singapore Straits Times Tokyo. Hong Kong Nikkel 225 £000-500 F.WAWJJ Chance Exchange 6,760.02 -0.14 6,750.33 Hang Seng Hong Kong 1,818.41 +0.26 1.823.08 Straits Times 1,802.60 1,805,80 19,734.80 20,115.81 -1.90 Nikkei 225 0.28 Kuala Lumpur Composite -0.38 894.07 897.44 Bangkok 746.54 741.81 Secul Composite Stock 3,932.15 4.027.58 Taipei Weighted Price 1,706.65 1,715.73 Manita Composite 355.20 +0.06 Jaicerta Stock Index 355.43

#### Very briefly:

New Zenland NZSE-40

Hong Kong said it had agreed in principle to sell Overseas Trust Bank to the investment company Guoco Group. A government spokesman was quoted as saying Guoco had agreed to pay 420 million Hong Kong dollars (\$53.8 million) above the group's adjusted net asset value.

National Index

1,723.48

Closed

Siemens Telecommunications of Italy, a unit of Siemens AG, has signed a \$10 million technology-transfer deal with China for the production of low- and medium-capacity digital radio equipment.

 Petrovietnam, the state oil company, and Anzoil (Asia) Pte., a subsidiary of Australia's Anzoil NL, have signed Vietnam's first contract for onshore oil and gas exploration.

• Vietnam's economy will grow by at least 8 percent a year over the next two years, the state-owned Viennam News reported. Separately, the

country's new interbank market in dong made its first trades.

• Hitachi Ltd. and Fujitsu Ltd. plan to keep 24-hour chip production lines working throughout the summer holiday season, cutting holidays short to boost production. An NEC Corp. spokesman said the chipmaker's factory holidays would be cut by two or three days due to strong demand. Bloomberg, AP, Reuters, AFP

take effect Aug. 1, to speed the internationalization of

More than 40 foreign banks, insurance companies

have actually brought \$1.36 billion into Taiwan.

period, instead of only once every year.

CHINA: Capitalist Tools, Communist Techniques, Lots of Angry People

that moment Deng Kiaoping, the frail senior leader who turns 89 in August, would die.

As economic problems go, China's are not so selling \$5.2 billion in bonds. "Nobody wants the bonds," said a manual laborer in his late 20s. "In the last couple of years, they paid a high interest rate, and so the leaders bought all the bonds for themselves. But now they hardly pay anything, and the leaders don't want them. So we have to buy them." Mr. Zhu, the new economic czar, faces enor-

mous opportunities and risks. If he manages a of the most infuriating. Most workers were docked the equivalent of \$20 to \$100 in June, soft landing, he may be rewarded with the job of prime minister, the post now held by Li Peng. who had a heart attack in April. If Mr. Zhu is less than successful in cooling the economy, he could make a convenient scapegoat.

"Zhu Rongii is in a very dangerous position now," said a senior economic official who is rooting for him to succeed. "He's like a man trying to stop a horse cart that is running out of control down a hill. He could just get run over." On one hand, he must discipline local leaders

and curb inflation. On the other, if the government tightens monetary growth and investment too much, process went much more rapidly with compul-unemployment will rise.

### **COMPANY RESULTS**

Revenue and profits or	Bankers Trust NY	Dow Chemical	Martin Marietta	Melville 2nd Quar. 1992 1992	Phelps Dodge 2nd Quer. 1992 19
losses, in millions, are in	2nd Outr. 1993 1992	2nd Quar. 1992 1993 Revenue 4822 4.859.	2nd Quer. 1993 1992 Revenue 2613 1.584	Personal 2.537. 2.495.	Revenue 629.80 65.
local currencies unless	Per Share 2.97 2.16	Net 10C 149.00 193.00	Net Inc. 124.10 97.00 Per Shore 2.28 2.06	Per Shore 047 0.70	Per Share 0.66
otherwise indicated.	Tsi Half 1993 1992 Nat Inc. 406.00 786.00 Per Shure 475 9.31	1st Half 1993 1992 Revenue 9.186. 9.498.	1st Half 1993 1992 Revenue 3.782 2.956.	1st Holf 1993 1992 Reviewe 4,570, 4,554, Hel Inc. 52,84 40,92	Revenue 1,297. 1.2 Net inc 106.60 37
United States	Campany's full name is Banker's Trust New York.	Net Inc 551,00 e394.00 Per Shore 2.01	Per Shure 3.57	Per Share 0.43 0.32	Per Share 151 0
T&TA	Bristol-Myers Squlbb	a; 1065.	a: loss.	Northrop	of \$79.9 million.
2nd Quer. 1993 1992 Revenue 16316, 15,846	2nd Quittr. 1993 1993	Illinois Tool Works	Maylag	2nd Quor. 1993 1992 Revenue 1,312 1,442	Pitney Bowes
Nel Inc 1,044, 961,00 Per Shore 0,77	Revenue 2.802 2,743. Oper Net 520.55 474.98 Oper Shore 1.01 0.92	2nd Quur. 1993 1992 Revenue 829,32 717.11	2ad Quar, 1973 1973 Revenue 753.26 770.06 Net Inc. 21.31 18.94	Nel Inc. 53.00 51.00 Per Share 1.12 1.06	2nd Quar. 1993 1 Revenue
1st Half 1992 1992 32,635, 31,228	1st Half 1993 1992	Net Inc 54.80 51.17	Per Share 0.20 0.18	1st Half 1993 1992 2.587. 2.587.	Per Shore 0.55
Net Inc 04.600, 1.344.	Oper Net 5.558. 5.384. Oper Net 1.095. 1.009. Oper Shore 2.12 1.95	1st Holf 1992 1992 Devenue 1579, 1,387,	1st Half 1992 1992 Revenue 1,470, 1,523, Net 10c 10,76 p261,36	Revenue 2587. 2587. Nel Inc. 105.00 98.00 Per Shore 221 2.08	1st Holf 1993 1 Reverse 1,708. 1,
as loss 1993 and quarter re-	1002 over net excludes pains	Net Inc. — 9483 91.41	Net Inc 10.76 126.130	) El Billian	Net Inc 169,40 07.
sults include charge of \$287 million, 1993 ist half includes	of \$13 million in quarter, \$26.4	Per share adjusted for two-	a: loss.	Occidental Petroleum	a; loss.
charge of \$7.02 billion and	million in half. Dial Corp.	for-one stock spill.		2nd Quer. 1992 1992 Revenue 2,011, 2,031,	Premark Int'l
gains of 5383 million.	2nd Charge 1093 1992	Kroger	MCI Communications	Net Inc. 75.00 50.00	T 4 CHAPT 1001
Ashland Oll	Revenue 905.46 911.23	2nd Oppr. 1993 1993	Revenue 2,929, 2,606.	Per Shore 0.21 0.16	Revenue 763.20 73
3cd Geor. 1993 1992	Net Inc. 39.67 33.09 Per Shure 0.92 0.79	Revenue 5,329, 5,072	Nef Inc 150.00 149.00 Per Share 0.27 0.26	1st Half 1992 1992 Revenue 4,180. 4,046.	Net Inc. 41,00 2
Revenue 2619, 2639.	1st Half 1993 1992	Oper Share 0.27 0.05	1et Helf 1993 1992	Net Inc 155,00 087,00	1st Half 1993
Per Shore DBI 0.42	Revenue 1.684. 1.696. Net Inc 54.30 065.08	1st Half 1992 1993	Revenue 5,739, 5,119,	per Shore 0.46 p: loss. 1997  st half includes	Not Inc 65.00
9 months 1993 1993	Per Share 1.25 1,55	Revenue 10,503, 10,111, Oper Nel 59.09 25.50	Nel Inc 301.00 290.00 Per Share 0.55 0.52	loss of \$100 million.	Per Share 1.95
Revenue 7,005. 7,425.	a: loss.	Oper Shore_ 0.57 0.28			Ryder System
Per Share 1.25	Donnelley (R.R.)	Manyille	Mead	Pennzoli 2nd Outr. 1993 1992	9.044
a: loss, 1992 3rd quarter re- sults include gains of \$11 mil-	Revenue 973.96 1,007,	2nd Outer 1993 1992	2nd Quor, 1993 1992 Revenue 1,263, 1,225.	Revenue 685.20 588.70	Revenue 1,080.
tlad, 1992 9 months includes	Net Inc 52.77 53.69	Revenue 582.00 555.33	Net Inc. 47.20 034,70	Not Inc 29.50 10.90	Oper Net 40.74 Oper Shore 0.51
lass of \$2.67 billian.	Per Share 9.34 0.34 1st Half 1992 1992	Mat 1110 2000	Per Shore 0.78	Per Shore 0.72 1027	1st Half 1992
BankAmerica	Revenue 1,954, 1,945,	1st Half 1993 1992	Revenue 2.399, 2.314	Revenue 1,336. 1,137.	
2nd Quor, 1993 1992 Net loc 488.00 240.00	Net Inc 038.84 89.21	Net Inc 55.73 15.30	Net Inc 72.80 17.00		0.74
Net Inc. 488.00 249.00 Per Share 1.20 0.63	p: loss.	Per Share 0.36 0.04	Per Shore 1.22 0.29	10.4	

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33% 10% 10% 15% 17% 17% 11% 44% 10% 93% 11% 12% 62% 62% 62% 62% 12% 12% 12% | 10 | 2 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 1

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## FIRST COLUMN

# Boring Isn't The Word

HE golden boys are going oo vaca-tion. For the rest of us the message is clear: Play sports, or at least watch a few games on television; don't both-er about organizing your finances or playing the markets: stay home and vegetate.

the markets; stay home and vegetate.

The annual August message (it's the month when oothing happens, and that's officiall is clear enough, but wrong. Take the last three years. In 1990, Iraqi tanks rolled into Kuwait. Japanese shares, which bad been in sharp decline since the beginning of the year, nose-dived amid fears of higher oil prices. Many other equity markets used the occasion to reassess the economic health of various countries, and significant short-term declines were recorded oo many exchanges. An inspired investment in oil warrants and a few judi-

ciously placed put options against shares would have yielded handsome returns.

It was a golden boy vacation in August 1991 that prompted one of the great stories of the century. Mikhail Gorbachev went to the Black Sea and nearly never came back. The markets went wild over the Soviet coup. German shares were deemed most vulnerable, and lost 8 percent in a day. Within a week they had regained almost all of that loss. Again, a put option on just about any Western market would have been a big win-oer (and some Japanese investors had made just such a move, having seen their own market fall sharply on fears for Mr. Gorba-

chev well before the putch occurred).

Last year was European currency crisis
year. International fund managers were amnng the biggest and most beavily publicized winners of the crashes in value of the lira and the British pound. The crisis in the European Community's money grid oc-curred in September, but the positions were taken in August.

Where the smart money should go this Where the smart money should go this time round is just as open a question as ever. Political or military crises in Iraq or North Korea? Gnld, fashionable again, is probably a good refuge buy. Or perhaps the foreign-exchange markets will finally wake up to economic weakness and political turmoil in Germany and start selling the Deutsche mark. Again, maybe the French franc might be victim of the month. One thing, however, is for sure: Gnlden boys or nn golden boys. August will not be borne. August will not be boring.

## **European Transport Firms** For August, Look Strong in Long Haul But Watch Out for Some EC Bumps

By Aline Sullivan

UROPEAN transport companies face a bumpy road over the next few years as liberalization of their market takes effect. But the conseosus among analysts is that the sector offers some attractive prospects for long-term investors.

attractive prospects for long-term investors.

After months of wrangling, European Community transport ministers last month set 1998 as the deadline for complete freedom of services in road haulage. The freedom of transport companies to ply for hire outside their domestic markets is known in the trade as cabotage. Current restrictions on cabotage, sanctioned by the Community, have created a bugely wasteful system in which up to a quarter of foad mileage s made with empty cargo holds.

Under the oew deal, transport companies will have increased access to domestic haulage in all EC countries until the market is entirely opened in 1998. The extension of cabotage will boost the earnings of companies with well esablished European networks, analysts said.

Investors must be prepared to wait, however. Many of the big companies have already been hit this year by the loss Jan. I of their EC customs clearance activities. Fierce competition from new entrants could restrict profits for the oext few years.

"Liberalization will boost volume," said Mark McVicker, transport analyst at County NatWest Securities in London. "Short term, the implications are negative because more volume means more competition and lower rates. Longer term, we will end up with about a dozen international companies. These will do very

Picking these companies is made difficult by the varied interests of many transport groups. A lew companies, including Frans Maas of the Netherlands and Danzas of Switzerland, locus almost entirely on road haulage. Others, such as Nedlinyd, based in Rotterdam, and Bildspedi-tion, of Goteborg, Sweden, also have shipping and air transport operations.

Strong European networks count for a lot. Transport analysis praise the cooperation greement six months ago between Danzas and ASG of Sweden as a sign of a trend to pan-European marketing deals. Other links have failed to live up to this promise, bowever, Nedl-loyd's acquisition of Unitrans in Germany bas been difficult for the company to absorb, ana-

Shares in many of these companies are worth

buying now because the impact of economic recession and the loss of customs business has already been discounted, analysts said. The Dutch transport companies offer some of the best value because they already dominate much

of the road haulage industry.

The more liberal the better for the Dutch "The more liberal the better for the Dutch groups." said Olivier Takx, transport analyst at ABN Amro Bank in Amsterdam. "Frans Maas already has a really good European network, which will make it easier for the company to bring freight hack. It also has the financial capacity to expand. Nedlloyd oeeds a better octwork and has to complete its reorganization. But both companies should do well in the long

Others have some catching up to do. The British transport group NFC concentrates on its home market and derives only about 10 percept of its revenue from continental Europe. An NFC spokesman said that the company was trying to expand into other European markets and that liberalization "should make that easi-

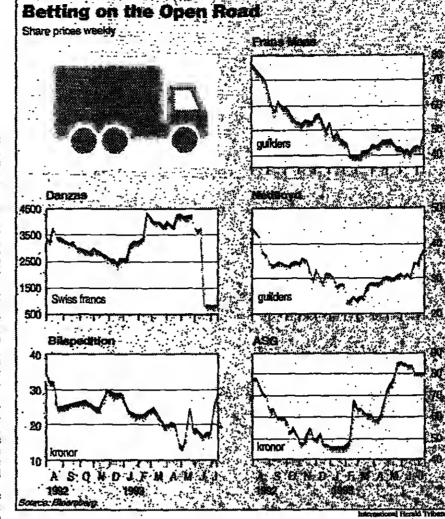
European companies based outside the Com-munity also will be affected by the liberalizatino of the road-haulage market. Pacts between the Community and the European Free Trade Area grouping mean that EC legislative changes most likely will be adopted by the Scandinavian countries as well as Switzerland

Danzas is affected by all changes in the Community, said Michael Sjoestroem, analyst at Pictet & Co. in Geneva. Income will drop about 11 percent this year, due to the loss of EC customs business, he ooted. The liberalization of the road haulage will have even more of an

"Danzas is already seeing more competition from smaller companies," said Mr. Sjoestroem. "These companies won't be any good on transport from Sicily to Norway, but they are certainly competitive on a regional basis. In the longer term, Danzas will benefit from its link with ASG and its restructuring." He is advising clients in avoid Danzas shares this year but to

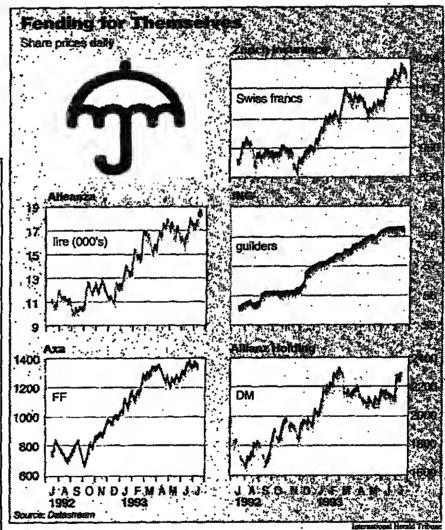
reconsider early next year.

Small, mostly family-owned companies are attracted in the idea of international haulage because if the moves toward liberalization and the trend among industrial companies to re-place national offices with single European headquarters. This move to centralized productinn will boost cargo volumes, analysts said. Longer term, however, the small competitors will be restricted by their lack of European



"Smaller companies will have difficulty competing in this market," said Stefan Guter, head of Nordic equities at Carnegie International in London. The big Swedish companies, Bildspedition and ASG, have been working to find-European partners because it is clear that companies with large operations will really benefit from liberalization.

The stakes are high. About two-thirds of EC freight transport takes place on the roads, and the growing integration of Europe's economies is expected to boost traffic still further. But, far now, there seems to be little hope for the small road hanlage operators: The ana-



## And the Beauty Business? A Homely Gamble at Best

But P&G Looks Like a Long-Term Ray of Hope

By Kate Bales

EAUTY is bad for you. That is the financial message coming form such industry observers as Brenda Lee Landry, a cosmetics analyst for Morgan Stanley in New York: "Beauty stocks are generally a bad investment. The major businesses have diversified too far for any one product, or even a group of products, no matter how exceptional, to have any real effect oo the stock."

So does diversification equal financial dissipation? By way of example, take the world's

L'Oréal's buy-'em-up strategy is no longer the house exception, but the beauty business rule.

leading company in beauty sales. Back in 1907, L'Oréal revolutionized the world of beauty by introducing the world's first synthetic hair tint. Today L'Oréal is the parent of Lancome, Helena Rubinstein, Vichy, Biotherm, Laboratories Garnier, Cacharel; and Guy Laroche, Ralph Lauren, Giorgio Ar-

mani, Lavin and Piloma Picasso perfumes.
All together, L'Oreal owns over 35 trademarks with individual product lines and marketing requirements. Its buy-'em-up strategy is no longer the house exception, but the

beauty business rule. Elizabeth Arden and Clavin Klein are now

owned, along with a dozen other beauty sub-sidiaries, by Unilever Group. Elf Aquitaine, the French oil company, owns 62 percent of Sanofi SA, which now owns a dozen perfume brands, ranging from Nina Ricci to Van Cleef and Arpels. In 1991, Proctor & Gamble already parent to a variety of brands, including Oil of Olay and Cover Girl, spent over \$1.
billion to buy Max Factor and Betrix from

While one great, or one awful, product is unlikely to affect any of the above-listed companies stocks, Ms. Landry claims that of all of the firms in the sector, Proctor & Gamble could potentially offer a solid long-term investment, based on the company's overall track record

Another New York analyst put it this way: "I wouldn't advise anyone to invest in any of these companies. Too much competition, and not enough real diversity in the actual quality of the product lines."

What is probably the most surprising news in the beauty world is that many observers believe that the products are actually reaching a point where they truly make a difference in preventing wrinkles and the aging process. While this is excellent news for the consumer, it actually has the potential of creating a financial crisis for the beauty industry.

The federal Food and Drug Administra tion, which also oversees the cosmetic industry, has begun insisting that makeup comparry, has begin massing that makern compa-nies either adhere to expensive and rigorous resting to support their anti-aging claims and accordingly list their products not as cosmet-ica but as drugs, or change their promotions. For investors seeking something other than soft skim, they would be well advised to shop

## A Fair Wind For Insurers In Europe Even U.S. Floods Fail to Frighten

By Rupert Bruce

VEN the flooding Mississippi River has failed to break the stride of In recent years, they have been battered by such catastrophes as the hurricanes Andrew and Iniki in the United States and the City of London bombings, but in 1993 they have had a fair wind behind them.

have had a fair wind behind them.

Michael Hantmer, European insurance analyst at BZW, said he believed European insurance were unlikely to face many claims from the Mississippi flooding because most of the damage would be paid for by the federal government.

"Of course, there will be some claims because cars will be washed away and businesses will have to stop work," he said. "But we are halfway through the year, and we have not had a major

through the year and we have not had a major disaster yet. We are pretty finely, I think."

The turning insurance cycle and falling interest rates have had a double-whammy effect on the sector, and its shares have been among the strongest performers on European stock ex-

changes and bourses.

And for those with a life insurance arm there is an added fillip. As many government public-sector deficits balloon and the number of retired people versus workers swells, it is becoming obvious that state pensions, must become increasingly meager. Some analysts argue that, as a result, people will have to fend for themselves, which should lead to a slow but growing tide of pensions business for the life insurers.

A sample of stocks illustrates the strength of the market. Over the first half of the year, AXA of France has risen about 35 percent in local currency terms, Allianz of Germany 15 percent, Alleanza (Ordinary) of Italy 40 percent, ING of the Netherlands 20 percent, and Zarich Insurance (Registered) of Switzerland 30 percent.

But given the strength of the market, surely all the good news is discounted. So why are

all the good news is discounted. So why are some commentators still bulls?

Simon Rudolph, commental European insurance analyst at Morgan Stanley, said: "Firstly, it's Hobson's choice. You have got a worsening economic situation in continental Europe. You have got recession deepening. All that is not particularly favorable for industrial companies. In contrast, the outlook for earnings for insur-In contrast, the outlook for earnings for insur-ance companies is positive for 1993."

He added: "You have also got an improvement in reinsurance and commercial insurance rates. Although with things like life insurance carnings will be hit by the recession, more and more people will be aware that they have to provide for themselves.

"On the macro side, insurance stocks perform well in times of lowering interest rates. A simplis-tic explanation of this is that interest rates go down and bond prices go up and insurance companies are stuffed to the gills with bonds."

Rates are hardening because the nonlife in-surance cycle is turning. In a typical cycle, insurers expand when they are making good profits and consequently, miderwriting capaci-ty and competition shrink, and rates start to harden once more. The cycle appears to have

Whether falling interest rates are a benefit is a most point. The theory is that the bonds nonlife insurers invest in increase in value as interest rates fall, and so insurers make capital gains. But the corollary of this is that any new bond investments will have a lower return in terms of income yield. Still, nonlife insurance stocks have traditionally risen when rates have fallen.

For pure life insurers or those with a significant life insurance business, the benefits from falling interest rates are clearer. Lower rates mean savers take cash off deposit and invest it in longer-term savings, such as life insurance

With all this in mind, Morgan Stanley is recommending; Aegon of the Netherlands for ris U.S. life insurance business, Alleanza for its rapid new business growth, Generali of Italy for the benefits it should get from higher premiums, ING because it has a cheap valuation, Munich Reinsurance of Germany for the rate increases, and Zurich Insurance for its specialized nonlife business. ized nonlife business.

But not all financial forecasters agree. Some think the market may have already discounted the improvement in the nonlife insurance cycle. Mr. Hantmer of RZW said: "The trouble with the nonlife story about rates going up is it is always difficult to tell when it is in the price. Because they might be going up now, but down in two years time."

He prefers to buy nonlile insurers that have got their fingers burned when they diversified, but are now returning to their core business. It think the general trend is one of consolidation, and so whereas in the past until the beginning of the '90s insurers were all expanding and they lost a lot of money, now they are focusing back on their core businesses and maybe those earnings will come through to the bottom line."

In particular, he favors Scandinavian insur-ers. In the early '90s, many of these offered exceptionally low premiums and also took over others in a helice-skelter rush to expand. The result has been some speciacular corporate disasters — with some companies going bust and others shrinking dramatically - and now the survivors are getting back to basics.

Mr. Hauttner also forecasts a fair wind for life insurers, whose customers are often bound to them by fiscal regimes that penalize early withdrawals from policies.

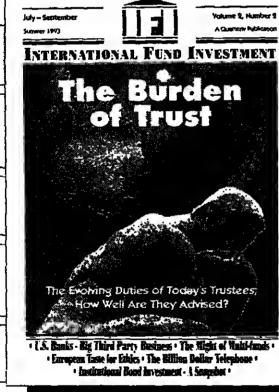
Consequently, BZW is recommending Skan-dia, the Swedish insurer, which is the sole re-maining Scandinavian insurer of any size.

"It has lost an amazing amount of money in the past," Mr. Hautmer said, "Our bet is that: First, it will stop losing money on reinsurance and international business by restructuring and second, it will improve its domestic mar-

Among life insurers, BZW is recommending Alleanza, Vital in Norway, and Volksfürsorge

gins in Sweden, Norway, and Denmark,"

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# French League Moves to Punish Players, TV Says Tapie Attacked Crew

PARIS - France's soccer league decided Friday to punish those allegedly involved in fixing a match, while a state run television network sued Bernard Tapie, the owner of the Olympique Marseille team, for attacking a TV crew and throwing its camera in the sea.

The league's president, Noel Le Gract, said its disciplinary board would start meeting next week with the three players, and probably Marseille's general manager, Jean-Pierre Bernes, who have formally placed under investigation by judicial authorities handling the case. Sanctions, including a possible lifetime banishment from soccer, should be handed down

within two weeks, Le Graet said. "The league considers that the judicial system has furnished it with sufficient elements so that a series of sanctions can be taken," Le Graet said after a board meeting The league has already said that Marseille,

the defending champion, can play in the first division this season, and that demotion, if warranted by the investigations, will come in 1994. Olympique plays its first match Saturday.

It remained unclear whether the league will allow Marseille to defend its coveted Champi-

Earlier, the France-3 television network filed charges against Taple for throwing a \$41,000 camera into the Mediterranean. France-3 said Tapie was on his yacht in Hy-

eres harbor east of Marseille, when he attacked a crew from France 3-Mediterrance that was trying to get pictures of Tapie and Bernes, who had been freed from prison bours earlier Thursday.

Tapie and his parliamentary aide, Marc Fratani, got into a motor launch, and boarded the crews, vessel, the France-3 cameraman, Georges Matera, said. Then, despite Fratani's warnings, Tapie grabbed the camera and threw it in the sea.

The national journalists union joined the suit against Tapic, a cabinet minister under the Socialist government. "Mr. Taple is violent and aggressive toward journalists he does not like. The profession cannot accept such behavior any longer," the union said.

Earlier this month, Tapie gunned his car at a France 2 cameraman inside his garage, forcing him to dive out of the way. The outburst, ironically, followed the most

gnificant victory Tapie's side has won since the bribery allegations exploded a month ago, tarnishing France's first European soccer title. An appeals court freed Bernes from detention in the medical-psychiatric wing of a prison where he had been held since July 6 to force him to confess his role.

In an interview published Friday in the newspaper Le Monde, the prosecutor Éric de Mont-

force a confession, noting it hadn't paid off. He said that the tactic had not been a total failure since it had worked in the case of Marseille midfielder Jean-Jacques Eydelie.

After more than two weeks in prison. Eydelie said he offered bribes - on Bernes's orders to three Valenciennes players to go easy on Marseille oo May 20 so Tapie's squad could save its energy for the European final six days later against AC Milan.

Christophe Robert, a Valenciennes player, has been formally placed under investigation for corruption for accepting 250,000 francs (\$44,000) from Eydelie. His wife, Marie-Christine, has been put under investigation for conspiracy for picking up the money. Jorge Burruchaga, an Argentine World Cup veteran, is being investigated. He says he first accepted the bribe, then changed his mind.

The third Valenciennes player, Jacques

Glassmann, who blew the whistle on the affair, says he never agreed and has not been charged. Being put under investigation is a legal step

that can lead to being charged with a crime.

Monigolfier predicted there would be no important developments before the autumn. In an interview with the French news agency Agence France-Presse on Friday, Bernes gave

his own version of events. He insisted that he

did not try to bribe the three Valeociennes olayers and said he was being framed. Bernes criticized the methods used by the mvestigating magistrate, Bernard Beffy, and the Lille police, particularly over his period in custody, and questioned the decision by Eydelie to change his story.

Bernès, reached by telephone aboard Tapie's yacht off France's Mediterranean coast, said: One day. I will reveal everything about the methods used against me and OM during this affair. But just as an example, I can reveal that twice on the telephone while I was to custody to put pressure on me and to tell me to decide vhich camp I was in.

"On top of that, a policeman made an insulting gesture, saving "Your Tapie, he's dead, he can't protect you anymore. I've communicated these blunders to the magistrates at the ap-peal court in Douai that released me."

As for possible sanctions taken against the club, such as relegation or exclusion from the European Champions Cup, which they won against AC Milan six days after the Valenciennes game, Bernes said:

"They don't enneern me. Unlike others, t don't accept that I have done anything wro There is no material evidence against me. I haven't been condemned. I am innocent, I must therefore benefit fully from the presumption of

ly excellent early part of the season.

for all those bicycle riders who are

going to Grimstad, Norway, late in

August for the farewell race in his

honor. It may not he a farewell at all,

the first race of the rest of his life.

l stop now?

old but still young."

Lauritzen says. It may be more like

"If it keeps going well, like it's done so far this season, maybe I'll continue," be explains. "If I get a good offer from a team, why should

Why indeed? Not until Sept. 12

will he turn 37, which sounds -

and is - old for a professional

rider. But, as Lauritzen put it. "I'm

He is, in truth, having his best

season since 1989, when he won the

Tour de Trump in the United States

and the Grand Prix of Frankfurt,

then a top classic, in Germany. This

season he has won a daily stage in

the Three Days of La Panne in

France and, much more important,

was not an easy victory. It con-vinced me that I can still race with

the best guys."

Despite his overall triumph in

the first Trump race, the mother of

the Tour DuPont, Lauritzen has

specialized in stage victories. He

got one in the Tour in 1987 at Luz

Ardiden in the Pyrenees, which be

still regards as "my biggest thrill."

Riding for Norway, be also won the bronze medal in the road race

at the 1984 Olympic Games in Los Angeles and turned professional

immediately afterward. He rode

three years for the Peugeot team in France, then joined 7-11, based in

the United States, and stayed with

Last year Motorola let him go

"Some people said I should stop last year and I came back and showed them," he said. "I'm very

disappointed about Motorola because I felt I could have done a good job for them this year."

spend the time getting ready for the

world championships in Norway next month. "But since I'm one of

the better riders on TVM and they

wanted me in the race," he said, "I

think it's a good thing to do." His main goal remains the

Lauritzen did not expect to ride this Tour, his seventh, preferring to

it when Motorola became the pri-

and be joined TVM. a Di

mary sponsor.

'A very hard stage," he said, "It

a stage in the Vuelta a España.

In fact, he may have a surprise

## Spain Breezes, France Upsets **Czechoslovakia**

FRANKFURT — The Czechoslova-kian team's hopes of winning the Federa-tion Cup a last time were ended in Friday's quarterfinals by a lower-ranked but more determined French team led by Julie Halard and Nathalie Tauzist.

Halard and Tauziat swept the singles to give sixth-seeded France an upset of the third-seeded team from what is now two countries.

In the other quarterfinal, Conchita Martinez and Arantxa Sánchez Vicario easily got top-seeded Spain past the Netherlands, the No. 7 seed.

In Saturday's semifinals, Spain, seeking to repeat its 1991 victory, will play France while Argentina will face Austraha in matches pitting the two unseeded team that advanced on Thursday Halard, ranked 42d in the world, upset

Helena Sukova, No. 12, by the score of 7-6 (7-3), 6-4, to give France a 1-0 lead.
Tauziat, ranked 15th, overcame Jana Novotna, this year's Wimbledon runnerup and No. 8 in the world, 6-1, 0-6, 6-3. Martinez beat Stephanie Rottier, 7-6 (7-3), 6-3, while Sanchez Vicario downed

Miriam Oremans, 7-6 (7-4), 6-0. Sukova's two double-faults in the tiebreaker helped Halard win the first set." Then a forehand return gave Haland a break in the ninth game of the second set and, although Sukova saved two match points in next game, a forehand-winner. clinched the match,

Double-faults also undid Novotna as Tauziat gained the first break and a 3-1. lead when Novotna double-faulted on game point. After another break, Tanziat clinched the first set when Novotna sent a backhand into the net.

After cruising through the second set, Novotna had Tauziat in trouble early in the third. A frustrated Tauziat, who had beaten Novotna only once in four previous matches, shouted obscenities and was penalized a point, which gave Novotna a break point in the second game. But Tanziat held serve and matched

Novotna shot for shot.



Djamolidine Abdoujaparov thought he was home safe Friday until he glanced back; then he sprinted on to win the stage.

## Rafferty Takes Dutch Open Lead in Near Gale

NOORDWIJK, Netherlands — Ronan Rafferty may have given the British Open on the windswept Channel coast a miss, but he had no trouble Friday coping with a near gale

at the Dutch Open.

Rafferty, from Northern Ireland, held a two-stroke lead at the halfway point after a 2-under-par 70 that included four birdies and put him at 137 for two rounds. Better still, none of the other major players

could even get close. Defending champion Bernhard Langer fell-back with a 74, which included a fluffed chip shot at the 10th and two shots in a bush at the Another double-fault gave a break 14th, both holes costing him double bogeys.

mark and Britain's Carl Mason and Ross Drummond, all at 139.

David Russell of Britain, the first-round

leader, shot 75 and De Wet Basson of South

Africa, tied for second with Rafferty, was

John Daly, the former PGA champion, added 76 to his opening 77 to miss the halfway cut by six shots and said, "I am going bome to Memphis where I can hit a ball 50 yards in the air and not along the ground."

· As their competitors whacked away in the weeds and watched approach shots plunge into the menacing ponds of Crooked Stick Golf Club in Carnel, Indiana, powerful Swedish sensation Helen Alfredsson and steady Japanese legend Ayako Okamoto mawith Tauziat, who turned it into a 4-3. Then U.S. Open champion Lee Janzen bolead. Then still another double-fault, geyed two of the last three holes, when he was
with Tauziat holding two match points, just one shot back, and fell behind José Coshare the first-round lead Thursday at the
Steve Lowery, without a top-10 finish this ceres of Argentina, Anders Sorensen of Den- 1993 U.S. Women's Open.

Right behind at 69 was Dawn Coe-Jones of

Both leaders had symmetrical nines of 34, but Alfredsson's round was more eventful. After a double bogey on the relatively easy par-5 11th hole, the 28-year-old Swede made birdies on three of the last four holes, closing her round with a 20-foot putt on the 400-yard

 Bobby Clampett made the most of an invitation to play by shooting an opening-round 63 for a three-shot lead in the New England Classic in Sutton, Massachusetts.

Clampett, a one-time prodigy who now plays only part-time on the PGA Tour, chipped in twice, mastered the par-5s and put year, second at 66. (AFP, WP, NYT, AP)

## An Old Story for This Tour, A New Chapter for Lauritzen

By Samuel Abt

nal Herald Tribune BORDEAUX -- When a group of 20 riders detached themselves from the Tour de France field and attempted a oreakaway Friday morning, Dag-Otto Lauritzen made sure he was among them. He was dreaming, as who wasn't? of a stage victory before the bicycle race ends Sunday in Paris.

The break had no chance and was caught at Kilometer 40 of the 200.5-kilometer (124.5-mile) rolling stage from Orthez through dark and orderly pine forests to the vineyards leading to Bordeaux. Lauritzen, a Norwegian who rides for the TVM team, had one more opportunity.

After nine riders bolted off at

Kilometer 143, he was with a group of a dozen who moved up to join them. They rode together the rest of the way to Bordeaux despite many attempts by individual riders to escape and avoid the traditional sprint finish on a long straightaway A top sprinter won again Friday,

wever. This time it was Diamolidine Abdoujaparov, an Uzbek with the Lampre team, who finished more than a bicycle length ahead of Frankie Andreu, an American with Motorola, and Rolf Sorensen, a Dane with Carrera, Frans Maassen, a Dutchman with WordPerfect, was fourth and Lauritzen, no sprinter, was a surprising fifth as the 21 riders surged together for the line.

Misjudging the finish, Abdoujaparov sat up too early and threw his arms aloft in victory. Then he glanced right, saw everybody else still pedaling and got back to work. Despite his error, he easily held off Andreu, Sorensen and the rest.

He was timed in 5 hours, 5 minutes, 33 seconds, or 37.8 kilometers an hour, a relatively slow speed on a warm and overcast day with no difficulties except fatigu

The main pack, including the overall leaders, arrived 4:52 later. where Miguel Indurain continues to reign by a comfortable 4:28. The showdown for second, third and

"Those hard stages, but not su-per hard, are good for me," he said. in a time trial outside Paris. Only I was too weak this time."
His good Tour follows a general-

for victory there, nor in the habitual sprint finish on the Champs-Elysées on Sunday.

While the Norwegian will go bome without his coveted stage victory, he feels he has had a good Tour de France. Sick for three days with a stomach virus, he was unable to attack in the Pyrenees, as planned.

#### Boardman **Breaks Hour** Mark Again

Compiled by Our Staff From Dispatches BORDEAUX - Olympic champion Chris Boardman of Britain broke the week-old world record for one-hour cy-eling Friday, covering 52.270 kilometers (32.48 miles).

That bettered by 674 meters the mark set in Norway last week by Scotland's Graeme Obree on a bomemade bike built in part from a washing

That broke the record of 51.151 kilometers, set by Francesco Moser of Italy in

Mexico City in 1984. Boardman used a specially designed bicycle similar to the one he used to win the 1992 Olympic pursuit title. It is made of high-tech carbon fiber

and cost about \$34,000. Speaking of his record and Miguel Indursin, the time-trial specialist apparently en route to his third straight Tour de France victory, Boardman said, "I wanted to have a go at it before him because he will probably put it out of reach,"

Indurain has said he will cord one day.

(AP. Reuters)

#### ended Czechoslovakia's hopes.

SCOREBOARD

#### BASEBALL

-2-

20 日本 201

Major League Standings

AMERICAN LEAGUE مستنشد . . . . . . . . Texas Konsus City Seattle Colffornio 

Thursday's Line Scores

AMERICAN LEAGUE Holmon (7) and Yalies Mails, DiPolo (7) and Ortiz Levis (8), W—Basia, 45. L—Muits, 24. Sv—Holman (1), MRs—Seatile, Griffey Jr.

Sv-Hobnon (1), MRs-Section

CSS, Votte (9):

Coffinence
100 000 000 11 5 0
New York
100 000 000 12 5 0
Syriapser, Linion (6), Potterson (7) and
Tingley; Abbott, Wickman (9) and Starley;
Layritt (9), W. Abbott, 7-8 1.—Springer, 1-5.

MRs-New York, Motifical (8), Toriobuti 2 Levritz (9), W.—Abbott, 7-8, 1.—Serknow, 1-5.

HRs.—New York, Atellinely (4), Torkobull 2.

HRJ. Criesti (13), Shenkey (15).

Rosses City 22, 22, 22, 22, 14, 8

Betruit 19-2 22, 22, 22, 14, 8

Betruit 19-2 28-2-2 4

Aspier, Burnos (7), DiPine (8) and Mactionnon: Guilicians, Botton (5), Letter (6) and

Krauter, W.—Aspier, 11-1, L.—Guilicians, 6-5.

HRS.—Kornos City, Alocfurtans (14), Alocflavinoids (5), Gosma (4), Detroit, Phillips (5),

Cuckeysi 218 518 132-7 19 4

Boston 22, 244 252-7 12 2

Ven -Papeel, Comphall (2), Darring (5),

Van Pappel, Compbell (3), Darling (5),

Asse 100 400 100—2 17 6 Chicago 180 298 No.—7 72 6
Rovervo, Lievel (S.). Merser (E) and Nilssen; McDoughl, Resignity (E). Hermondez (9)
and Lovelhers, W.—McDowell, 15-6. L.—Novorvo, 5-8. Hills.—Chicaton, Jockson (5).
Selfimary. 200 200 201—4 72 8
Adianesia 202 180 712—6 13 .1

Ellinetia. (Ellis of Development (8) and Holley.

provinces. Notes (4), Pentington (5) and Holles; Banks, Transley (6) and Hurper, W.—Sanks, 4-27.1—Sencific 4- 5:—Transley (3). Toronto 228 101, 489—4 23 7 Texas 211, 102 289—7 23 1 Settlements, Cant & Tennis (3), Differd (9) and Knorr; Resers, Bottyson (4), Whiteside (7). Corontor (8) and Racktouer, W.—Timila, 2-1.

L-Corporter, 8-L. Sv.—D. Ward (24). HR3—Teronte. Clerud (19). Terus. Gonzolez (27).

MATIONAL LEAGUE
Philadelphia: 988 889 910-1 5 1
See Francisco 92) 819 889-4 5 9
Autholland, West (8) and Doullan, Burkett,

Autholland, West (8) and Doullon; Burkett, M. Jockson (8), Beck (9) and Manwaring. W.-Burkett, 144. L.—Mushalland, 94. Sv.—Beck (27), HRs.—Son Francisco, Bonds (27), Manwaring (2). Cincinsont 640 366 260—7 19 1 Floride 860 360 260—8 19 1 Browning, Service (7) and Cilver; Amarines W. Marther (14), Cille (16) and Services (15) and Cilver; Amarines (16), Cilver (16), Ci

Browning, Service (7) and Oliver; Armstrone, Weathers (8), Klink (8) and Scatione, W.—Brownins. 7-5. L.—Armstrone, 7-10. HRs.—Clackmott, Sonders (14), Samuel (3), Chicage 80 49 89 49 49 7, 8 Hession 90 99 72 7, 8 Hession 90 99 72 7, 14 Hernandez (5) and Servicia. W.—Williams, Josepa (7), Hernandez (5) and Servicia. W.—Williams, 3-3. L.—Horkey, A-1 HRs.—Chicage, Roberson (3), Houston, Goszodez (127).
Alianta 125 1918 182-7 14 2 Highsuph 80 139 100-8 11 1 Goszolez (12).

Atlanta 128 918 182-7 14 2
Pittsburgh 800 129 104-8 11 1
Smootz, McMichael (11, Wohlers (8), Stenton (7), Howell (9) and Olson, Berryhll (9);
Wagner, Solland (7), Minor (9) and Princa,
W.—Alland, 4-2, L.—Howell 3-3, HRs.—Allanda,
Biouser (8), Justice (22).
St. Louis

W-Minor, 6-7, 2—Housel, 1-7, 1919. —Manual, Blouser (6), Justice (22).

St. Loeds 817 893 819—6 19 8 Colorado 280 99 131—7 14 1 Tevrishory, Murphy (9), Olivares (8), Guviltermon (8), Burna (9) and Paganezzi; Raymbee, Pradrictaco (8), Holmas (9) and Sheatfer. We—Hotores, 1-2, 2—Burna, 8-2, MRs—65, Louis, Zulle (5); Whiten (16), Colorado, Bichette (12), Galarropa (15).

Mandayeii 809 25 691—19 11 1 Sen Dieso. 909 988 419—5 9 2 Hill, Barries (7), Scott (8) and Floricher; Benes, Musian (6), 174—Mill. 7-2, 2—Banes, 70-7, HRs—Montraol, Walter (13), Cardeto (4), Sen Dieso, Velasques (1).

New York 109 699, 600-39 10 9 Los Asseles 030 698 209-5 12 4 Saberhopen, Young 183 and Hundley, Christee en (8) 7 Gross, Worred (8) and Plazzo, W-So-

### TRANSACTIONS

SEATTLE—Per Norm Charties, pitcher, on 15-day disobled list. Activated Rich DeLucia. aither, from 15-day disobled list. TEXAS—TradecText Borns, shicher, lo.St. Looks for player to be named inter.

Looks for player to be nomed later, stotland Legate' ATLANTA-Optional Brian Hunter, first hometon, to Richmond, il., cyticAso 2018s - Asraed to herzes with Brooks Kleschilds, outhelder.

CINCIANATI - Wolved Cacil Espy and Gerald Youns, outhelders.

MONTREAL - Put Gree Colbrunn. first hoseston, on 15-day disabled list, retroctive, to Jet' 12. Bouett control of Derrick White, beliefder, from Ottowo, IL. Assigned Butch, Heary, pitcher, outright to Ottowa.

PHILADELPHIA—Agreed to terms with:
Whythe Gomes, pitcher, and assigned him to
Botavio, N.Y.-Penn Learns, Stoed Scatt Reten, third beamon, and assigned him to Marinsville, Appetication Learns.
PITSBURGH—Recalled John Webner, Inreider outfleider, und Ben Shehor, auffleider from Buffols, AA. Returned Tony Meamidez.

BASKETBALL

NEW JERSEY—Waived Jerry Walker and Jayson Williams, forwards, and Steve Worthy and Charles, Thomas, suards, NEW YORK—Named Ernie Grunteld vice president and sense at manager.

UTAH-Agreed to larms with Luther Wright, center.

FOOTBALL

er, to 2-year contract.
DETROIT—Signed Gree Jeffries, Alongo

Hampton and Kevin Alistefield, cornerbacks; Antonio Lendon, and Tv Hallock, linebackers; and Autory Matthews, wide receiver. Put Miand Autrey Matthews, wide receiver, Put Mi-charl Coler and Tracy Hayworth, Inneback-ers, and Ed Tillison, rutning back, on physi-cativ anoble to perform list. Walved Antoine Beanett, cornerback. Ken Dollallor and Eric Sanders, offensive linemen, ratified. GREEN BAY—Signed Dorrell Thompson, running back; Johnny Holland, linebacker, to I-vear contract.

-year contract. HOUSTON—Signed Travis Hanneh, wide re-tolver; John Henry Adila, tight end; Chuck tradiley, offensive tackle; Potrick Robinson, Brotley, offessive tockley Petrick Robinson, wide receiver: Blaine Beises, comercact, and Molf Pearson, defensive and, Marred Billy Johnson Trollnise come wide receivers coach. L.A. RAI DERS—Signed Obands Trullin, wide receiver, and Adron Wollace. Hasbacker, L.A. RAMS—Aereed to terms with Trovis Machine, Trylin ent; David Rocker, defensive lineman, and Jerome Beiffe, running back, or 5-year contract; Dan Brotley, purpley; Anthony Thompson, purpley beth, and to a work and provided to the strike and to 3-year contract; Dan Brotley, purpley; Anthony Thompson, purpley petr, and to within. Bea. rneson, running back, and Lean While, line-lac. Released Louis Perez, placeluctor, MIAMI-Signet Keith Sims, quard, and Terry Kirby, running back, to 3-year conrecty, funding back, w syste car-ract; J.B. Brown, cornerback, in 2-year con-tract; Ned Bologr and David Mertiff, line-backers; and Alike Williams, wide receiver, Walved Mark Duser and Bo Compbell, wide receivers; David Walker, fulfiback; and Kerry Glenn, defensive back, Agreed to terms

MJNN ESOTA—Signed John Gerak, guard, and Ashley Sheppard, Brebactar; and Robert Smith, running back, and Glibert Brown, de-

tensive facide, to muithyear contracts; and ceivers; Ed Yhomos and Trent Green, avarance; Released Mait Eller, defensive lineman. Put Gary Zimmerman, offensive lacks, on did-not-report list.

NEW ENGLAND—Signed Tommy Hodson, avarance; Todd Rucci.

Agreed to fermis with Normale Means, ruming females illustrations of the Normale Means, ruming back, no 2-year contract; Todd Rucci.

agrieriback, to 2-year contract; Todd Rucci, affensive lineman, to 3-year contract; Charite Bosmann and Scott Sisson, placepickers; Corwin Brewn, safety; Richard Griffith, Itahi end; Lowrence Harth, cornerback; Trov Brewn, wide receiver; Brondon Moore, tockle, and Amarin Potton, running back, Aareed to terms with Jon Youghn, running back, Aareed to terms with Jon Youghn, running back, and Adarine Potton, running back, Aareed to terms with Jon Youghn, running back, and Adarine Potton, running back, and receiver; SAN FRANCISCO—Horry Sydney, full-backer, offwalvers from Cleveland, Released Decaye Burnett, fight end; Derrick Full-backer, offwalvers from Cleveland, Released Decaye Burnett, fight end; Derrick Full-backer, offwalvers from Cleveland, Released Decaye Burnett, fight end; Derrick Full-backer, offwalvers from Cleveland, Released Anthony Moss, linebacker. Signed Steve Regula Redding and Kellih Balkard, tackles, Josephan Moss, linebacker. Signed Steve Young, quorretrock, to 3-year contract; Bill Musgrave, quarierback, to 3-year contract; Eric Devia and Mertan Hanks, ornerbacks; Marc Logan, fullback; Trov Wills, defensive lineman, and Regule Free.

Book, and Ken Terner, Rhebacker, Walved
Reggle Austin, wide receiver.

H. Y. Glants—Re-signed Howard Cross,
Ifairt and Wolved Walter Boiley, defensive
back.

tibilit and. Wolved Walter Bolley, defensive back.

NEW YORK JETS—Asread to terms with Browning Noste, quarterback, and Adrian Marrell, funning back.

PHILADELPHIA—Asread to terms with Michael Carter, ness tockle, and Mike Schod, oftensive linemon, on 1-year confracts; Derrick Frazier, currenback, on 2-year confracts; Derrick Frazier, currenback, soft Kewelfowski, linebacker, and Mike Schoes, defensive and Mike Moyweather, and Rick Burkhaud, running backs; Tom Kirschinel, surrier-back; Ciff Bassiervilks and Grey Lewis, defin-sive backs; and Steve Wagner, Rusbacker.

Dock: Chit Bassevytie ond Greg Lewis, deten sive backs; and Steve Wagner, Riebocker, PHOENIX—Signed Breit Wallerstedt, Ilon backer; Lufs Shorpe, tockie and Rab Moon running book. Aereed to terms with Willia Williams. offersilve fineman, and Steve Hydrie. The

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France, Casterome, s.t.: 10, Brian Holm, Den-

Overall Standinst: 1, Miguel Indurain. Spoin, Banesta, 89 hours, 32 minutes, 5 sec-ands; 2. Alvara Melia, Colombia, Molaroka, 4 minutes, 28 seconds behind; 3, Zenon Joskula. 5. Bjarne Rils, Denmark, Ariasteo, 12:08: 6. Cloudio Chioppucci, Italy, Carrera, 14:19: 6. Andy Hamasten, U.S., Moforota, 14:35: 8. Johan Bruyneet, Belgium, ONCE, 16:30: 9. Pedro Deleodo, Spain, Banesta, 19:27: 1a. Viadimir Pouinikov, Ukraine, Correra, 20:40.

SOCCER CONCACAF GOLD CUP

## TENNIS

FEDERATION CUP Quarterfinals Spain (1) 3, Halland (7) 9: Conchita Maril-

nez, Spain. del. Stephanie Rottler, 7-6 (7-3). 6-3; Arantxa Sanchez Vicario, del. Miriam Orsmans. 7-6 (7-4), 6-0; Christina Tarrena andVirginia Ruana, del. Kristle Boogert and on Bolleard, 6-7 (6-8), 7-5 (7-4), 6-4. : Julie Empland vs. Australia, Second Day 6 (7-3), Friday, of Leeds, England ma. 6-1, Australia 1st Innings: 613-4 lard, France, def. Helena Sukova, 7-6 (7-3), 2 Nathalie Tauzkat, def. Jana Navotna, 6-1,

5. Dag-Otte Louritzen, Norway, TVM, s.J.; 6.
Stefano Cologe, Holy, MOB, s.f.; 7, Francois
Simon, Franco, Costorama, s.l.; 8, Roll Aldes.
Rolles Zrubakova, 6-4, 3-6, 6-3. MERCENES CUP GRAND PRIX

Magnus Gustatsson, Sweden, det. Marcoe Ondrusko 191, S.Africz. 6-2, 6-2; Marc Gottiner, Germany, der, Karel Movagek (4), Czech, 6-3, 6-2; Michael Silch 12), Germany, def. Andrei Chesnotov (10), Russia, 6-2, 7-5; Andrei Medwedev (3), Ukraine, def. Jovier Sanchez, Spoin, 7-5, 4-6, 7-4 (7-4).

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peetedly turned, slowed and blocked the road The world championship was originally scheduled as his nextto-last race, followed by the exhibition in his home town of Grimstad, where his wife, daughter, 8, and son. 5. live.

"A lot of the guys - Sean Kelly, Steve Roche, Steve Bauer, Greg Le-Mond, Scan Yates, Phil Anderson — are coming," he said.

"That's supposed to be my last race. But I love this sport, I think cycling is for me. After 10 years as a pro, I think I can do a few more

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world championship road race in his country. Lauritzen had an ex-cellent chance for victory in the 1990 championship, in Japan, un-til be crashed and finished 39th; when the rider in front of him, Dirk De Wolf of Belgium, unex-

# Olerud, Spurning Walk, Smashes a Game-Winner

From the little leagues to the big leagues, batters are told that a walk is as good as a hit. Unless, that is, the hitter is John Olerud.

Instead of taking a walk, Olerud swung at what would have been ball four and hit a home run in the ainth inning Thursday night that gave the visiting Toronto Blue Jays an 8-7 victory over the Texas Rangers.

Joe Carter doubled twice and

drove in four runs for the Blue Jays, who ended their six-game losing streak against the Rangers and raised their lead in the American League East to one game over Boston.

Olerud homered on a full-count

pitch from Cris Carpenter leading off the ninth. His 19th homer of the season also raised his batting average to an even .400. No major leaguer has been bat-

ting .400 this late in the season since George Brett reached the mark on Aug. 17, 1980. "There's no pressure on me to hit .400," Olerud said. "It wasn't a goal

I set out to do at the beginning of Olerud doubled in a run in the first, and then the Rangers decided to pitch around him. They walked

him in his next three at-bats, twice intentionally. "He's hitting .400 for a reason," said the Rangers' manager, Kevin Kennedy. "That's why we inten-

tionally walked him." But in the ninth, Olerud swung at a high slider and drove it over the

right-field fence.
"I don't know that that was a

good pitch to swing at," said the Blue Jays' manager, Cito Gaston. Juan Gonzalez hit his 27th homer for the Rangers to remain tied with Barry Boods of the National League's San Francisco Giants for the major league lead.

Red Sox 9, Athletics 7: Boston

won its seventh straight, hreaking a ue in the eighth inning after second baseman Brent Gates made visiting Oakland's fourth error of the game. Mike Greenwell singled home the go-ahead run, and Mo Vaughn drove in another with his fourth

White Sox 7, Brewers 2: Bo Jackson homered and drove in three runs, Jack McDowell became the first 15-game winner in the majors and Chicago won for the 10th time in 13 games by handing visit-

#### AL ROUNDUP

ing Milwaukee its seventh straight

Yankees 12, Angels 1: Danny Tartabull hit two of New York's five home runs against visiting Cal-

Don Mattingly hit his 200th homer in the majors, and Paul O'Neill and Mike Stanley also connected as the Angels lost their sixth

Royals 12, Tigers 6: Greg Gagne hit the 10,000th home run at Tiger

single. The Red Sox have won 22 of Stadium as Kansas City handed their last 27. Stadium as Kansas City handed Detroit its 21st loss in 28 games.

Tiger Stadium is the first major league ballpark where 10,000 home runs have been hit. Mike Macfarlane and Kevin McReynolds also homered for the Royals, and Tony Phillips led off the Detroit first

Gagne drove in four runs. George Brett had three hits and drove in two runs and Wally Joyner had three hits and scored three

Twins 8, Orioles 4: Kirty Puck-

ett. Dave Winfield and Brian

Harper each drove in three runs as

Minnesota, playing at home, beat

Mariners 3, Indians 2: Ken Griffey Ir. homered for the third raight game as Seattle beat host Cleveland for the eighth time in nine games this season.



Craig Paquetta touched the plate before Tony Pena of the Red Sox could tag him, but that didn't save the A's from a 9-7 loss.

## Atlantic Salmon: Now's the Time, Canada's the Place

By Pete Bodo
New York Times Service

NEW YORK - Fly-fishers, like the creatures they so avidly pursue, tend to be creatures of habit. And just as salmon return from the sea to their natal rivers to spawn - often procreating in the same pools where they were born - anglers also tend to return to the same rivers, over and over,

year after year. Anglers fish the same rivers for a variety of reasons. But most of all, they do it because the thrill of fishing new water is often qualified by the anxiety and befuddlement of figuring out just where and how to fish it. This is particularly true when the experienced fly-fisher gets the urge to fish for the ultimate salmonidae, the Atlantic

The rivers of Quebec and Nova Scotia are often far from airports and rental-car agencies, where the locals speak a version of French that would leave a visiting Parisian agape. Furthermore, the mysoque of salmon fishing and the hokum sur-rounding it can easily convince the faint-hearted that the pastime is best left to the rich, who still

own many of the prime camps and fishing rights. This is a misconception.

There has never been a better time for John Q. Public to go salmon fishing in Canada than right now. Thanks to a commercial fishery buyout brokered by the Atlantic Salmon Federation and the enlightened attitude of the Canadian government. recreational salmon fishing has improved dramati-cally over the past decade, and it has become especially good on the ever-expanding reaches of

Nova Scotia offers the easiest and most accessihle public salmon fishing. All the salmon rivers in Nova Scotia are public; you need only huy a non-resident license that goes for about \$65 U.S. The Margaree River, on Cape Breton Island, is the queen river of Nova Scotia. It fishes best during the peak of the leaf season in September. Farther south, the LaHavre and St. Mary's are good choices for summer-run fish.

Quebec has the most complex and maddening system of public fisheries, but it also has some of the best and most beautiful rivers, Still, you can take the plunge into public salmon fishing painlessly, less than 24 hours after leaving New York Dartmouth, and the Ste. Anne. There is public

provincial fisheries office will sell you a license (\$65 U.S.), the requisite daily permits at about \$45 the prime month is July. Local accommodations are modest but cheap. I recommend the Auberge

de la Montagne, in Routhierville.

The Matane River, just across the mountain from the Matapedia, uses the same system. The Matane fish tend to return later, with the run peaking in mid-August. While the Matapedia valley is relatively developed and a primary road runs along much of the river, the Matane valley is wild. rugged, and gorgeous, serviced only by a dirt road.

There is an excellent provincial campground situated alongside the fisheries office, where licenses and permits are available.

The Matapedia and the Matane are at the western, inland base of the Gaspe peninsula. The farther east you go, the deeper you get into salmon country, crossing rivers like the Grand Cascapedia, the Bonaventure, the St. Jean, the York, the

City. It takes about 14 hours of driving to reach fishing on almost all of these heart-rendingly Causapseal on the Matapedia River, where the beautiful rivers for the adventurous and enterprisprovincial fisheries office will sell you a license ing angler, either through the local environmental control bureaus (ZEC) or Quebec's telephone res-U.S. each, and provide you with detailed maps of envation system. The provincial fish and game the river. The Matapedia is a river of big fish, and office, headed by Guy Baillargeon (418-643-2464). can provide details.

While I can't guarantee that you will catch a 26pound salmon if you go, you will see and put a fly over fish of that class. And you will do it in bracing, wild country where the lack of tourists will make you feel like an honorary local. You may even find yourself on the porch of a cabin at 4 A.M., cup of coffee in hand, watching the northern fights ripple like an enormous, organza curtain across the pre-dawn sky. That part is free.

The best all-purpose salmon set-up is a 9- or 10foot rod designed for a nine-weight line. Popular wet flies vary by province, but don't neglect to take a few No. 10s in addition to the size 6s and 8s. Popular dry flies include the classic Bomber, as well as Buck Bugs and White Wulffs. Matapedia salmon are particularly susceptible to large Rombers (size 4, on 4x long shanks) in outlandish colors.

## Pittsburgh Pips Braves In 9th, 8-7

The Associated Press The Atlanta Braves are running out of

An 8-7 loss to the Pirates in Pittsburgh didn't help their confidence, either. "This was a tough one to lose in the ninth the way we did," reliever Mike Stanton said after the Braves blew a three-run lead Thurs-

#### NL ROUNDUP

day and dropped 10 games behind the West Division-leading San Francisco Giznts. Kevin Young's two-out, two-run double finished off Pittsburgh's four-run rally. At-lanta had scored twice in the top of the nimh

to take a 7-4 lead, but neither Stanton nor Howell could get the final out. The Braves were 48-2 when leading after eight innings.
"I'll take the heat for this one," said reliever Jay Howell. "It's my fault. I didn't get the job done. I didn't make the pitches I normal-

ly make." lay Bell drove in one run with a grounder and another scored on Dave Clark's single before Young, down to his last strike, lined a drive into right-center that bounced away

from right fielder Dave Justice and scored two runs.

Blas Minor got the victory despite allowing. RBI singles to Sid Bream and Mark Lemke, who was 4-for-5 as the Braves got 14 hits. giving them 32 -- including seven homers -

in their last two games. Justice and Jeff Blauser hit solo homers. Giants 4, Phillies 1: John Borkett became the National League's first 14-game winner, and Barry Bonds homered to remain tied with Juan Gonzalez of the American League's Texas Rangers for the major league lead, as San Francisco, playing at home, beat Philadelphia in the game between division

The victory, a fourth straight, put the Gi-ants 33 games over .500 for the first time since 1962. They are 65-32 after winning for the 12th time in 16 games while ending Phila-

detohia's four-game winning streak.

Burkett (14-4), who gave up 18 hits in his previous two outings, held the East Division leaders to five hits through 7% innings. He was the control of the least of the least property in the least of the lost his shutout and left after John Kruk's' RBI single in the eighth.

Bonds started the second against Terry Mulholland with his 27th homes. One out' later, Kirt Manwaring hit his second.

Rockies 7. Cardinals 6: Dante Bichette doubled and scored on Jerald Clark's sacri-

fice fly in the ninth as Colorado rallied to

beat visiting St. Louis.

Rookie Roberto Mejia led off the inning-against newly actioned pitcher Todd Burns with a bunt single and was thrown out trying to score on Bichette's double. But Bichette ran to third on the relay to the plate by Ozzie Smith and scored on Clark's fly ball to center.

The Rockies used two bases loaded walks and Eric Young's run-scoring grounder to score three runs in the eighth for a 6-6 tie. Reds 7. Martins 3: Juan Samuel hit a threerun homer and Reggie Sanders added a two-run blast as visiting Cincinnati beat Florida. o-drove in four time with two singles, and Luis Gonza-lez extended his hitting streak to 13 games

visiting Chicago. Expos 10, Padres 5: Larry Walker and Wil Cordero each hit two-run homers as Montroal beat host San Diego for the seventh

with a homer and a single as Houston beat

straight time. Both homers were hit off Andy Benes, dropping him out of the NL lead in carned-

run average. Winner Ken Hill took over the top spot, fowering his ERA to 2.59 while. Benes: mark jumped to 2.82.

Mets 10, Dodgers 5: Eddie Murray drove in five runs with two homers, one a three-run

shot during an error-filled, seven-run second,

as New York won in Los Angeles.

## Joe Montana, Savior, Arrives to Arm Chiefs for a Super Bowl

By Timothy W. Smith
New York Times Service

RIVER FALLS, Wisconsin - Joe Montana, his thin body tanned and his shaggy brown hair slightly tousled, strode off the bus, wearing blue shorts and a white T-shirt and looking less like a four-time Super Bowl champion quarterback

He walked through a phalanx of autograph seekers, never stopping but signing for two as he made the 20-yard dash to the door of Hunt Arena, which is serving as locker room for the Kansas City Chiefs's practice facility at Ramer Field on the campus of Wisconsin-River Falls. Montana, 37, disappeared through the doors

— into the Chiefs's version of Superman's phone booth — and reappeared on the fog-shrouded field 50 minutes later dressed in black shorts and a white No. 19 jersey pulled over shoulders that bear the weight of a franchise.

He was making his debut as the team's savior, a mantle bestowed upon him by fans and tolerated by teammates since the Chiefs pulled off a trade with the 49ers to bring Montana to Kansas City from San Francisco.

"Oh my God," cooed a middle-aged woman upon seeing Montana on the field. "There he is. After all these years. He's so adorable."

A sparse crowd, which included Miss River Falls and her court dressed in full-length gowns, gathered around the two fields to watch practice. But there was no magic.

His first completion of the day was 10 yards earned Montana points for accuracy, because the target was about 4 feet tall, but nothing for originality. During a two-hour practice in dreary conditions that included periodic downpours between chilly sprinkles, Montana threw just two passes, a short one to receiver Willie Davis on a hitch-and-go and then a 10-yarder to receiver Tim Barnett on an out pattern. For the most part - by design of the coaches - Montana handed off to the running backs or stood

around, giving way to the other quarterbacks.

Dave Krieg, Matt Blundin and Chip Hilleary.

After practice, surrounded by reporters and cameras on the iceless bockey rink inside Hunt Arena, Montana said he was excited about the possibility of starting a season for the first time in two years. But he seemed as uncomfortable

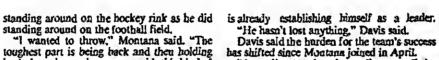
"I wanted to throw," Montana said. "The

toughest part is being back and then holding back. I can have a long career with this kind of rotation during the season." This pattern will not continue. The Chiefs' coach. Marty Schottenheimer, wants Montana

tice schedule as some concession to Montana's arm, but mainly to get the other quarterbacks familiar with the new offense installed by the new offensive coordinator, Paul Hackett. It is a variation on the San Francisco offense that Hackett, as the 49ers' quarterbacks coach in 1983-84, helped run and Montana perfected.

Montana said he was completely recovered from the elbow surgery in 1991 that repaired a torn tenden and a damaged nerve that left a

finger on his right hand numb for a while. Davis, a second-year player who led the NFL last season in yards per catch (21), said he caught several passes from Montana during informal spring sessions and in the mini-camp in May. He said there was nothing wrong with Montana's arm as far as he can tell and that the quarterback



"According to what the media says, all the other players aren't supposed to do anything anyway." Davis said. "So, all the pressure is completion, touchdown pass or interception for the Kansas City Chiefs. All those things that be's done have ensured his place in the Hall of Fame, but he hasn't done anything for the '93

edition of the Kansas City Chiefs. "His mere presence, no. I'll get excited when the whole thing is put together and we're able to operate efficiently."

Schottenbeimer had a talk with the team

during minicamp to try to head off any poten-tial bouts of jealousy that might crop up. So far it hasn't been a problem. Davis doesn't

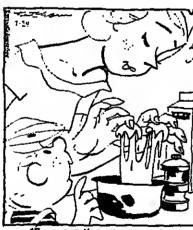
vested interest in Montana. "If anybody can do it, everybody feels like it will be Joe who takes us to the Super Bowl,"

believe it will be, because the players have a

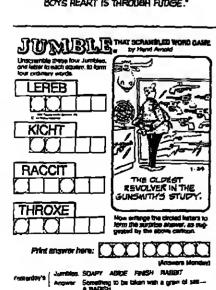


Olaf Hampel, a rookie guard from Essen, Germany, at the Denver Broncos' training camp in Colorado. He is the first player from "Operation Discovery," the NFL's effort to develop forcign athletes into professional football players, to sign with an NFL team.

## **DENNIS THE MENACE**



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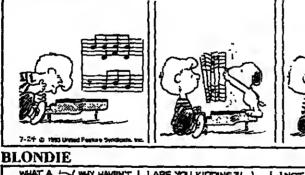


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